

City Council Finance Committee

Meeting Agenda

**Monday, April 16, 2018
City Hall – Spruce Room
749 Main Street
7:30 a.m.**

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of the Minutes from the March 12, 2018 Meeting (page 2)
- V. Public Comments on Items Not on the Agenda
- VI. Discussion on Fiscal Impact Model (page 12)
- VII. Discussion on Key Performance Indicators (page 14)
- VIII. Discussion on Recreation Center: Sales tax calculation and usage discussion including schedules for renewal and replacement (page 38)
- IX. Discussion on “Turnback” (page 83)
- X. Discussion on Financial Policies (page 85)
- XI. Enterprise Dashboards (page 117)
- XII. Staff Reports/Discussions
 - Customer Convenience Fees on Credit Card Charges
 - Request for Weigh-and-Win Kiosk Contribution
 - Personnel changes within Finance Department
- XIII. Possible Discussion Items for Next Regular Meeting – Tentatively Scheduled for Monday, May 14, 2018 at 7:30 a.m. (Note GFOA Conference)
- XIV. Reschedule June Meeting – currently scheduled for June 13, 2018
- XV. Adjourn

City Council Finance Committee

Meeting Minutes

**Monday, March 12, 2018
City Hall, Spruce Room
749 Main Street**

CALL TO ORDER

The meeting was called to order at 7:31 a.m.

ROLL CALL

The following were present:

City Council: Mayor Muckle, Council Member Maloney, and Council Member Lipton

Staff/Others
Present: Heather Balser, City Manager, Kevin Watson, Finance Director, Chris Neves, IT Director, Rob Zuccaro, Planning Director, Emily Hogan, Assistant to the City Manager, Graham Clark, Senior Accountant, and John Leary, resident

Absent: None

APPROVAL OF THE AGENDA

The Finance Committee approved the agenda as presented.

APPROVAL OF THE MINUTES FROM THE FEBRUARY 19, 2018 MEETING

Finance Committee approved the minutes as presented.

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

None.

FISCAL IMPACT MODEL

Rob Zuccaro, Planning Director, began the discussion by reviewing the two distinct fiscal Models: The Development Impact Model and the Area Planning Model. The Development Impact Model is a marginal/average cost hybrid model used to estimate the fiscal impacts of specific developments. The Area Planning Model is more of a marginal cost model used to generate fiscal impact estimates for large-area land use analysis.

Carson Bise, of TischlerBise, joined the discussion via conference call. Mr. Bise reviewed the history of moving from a basic average cost model to a more complex marginal cost model. In answer to a question, Mr. Bise stated that the staff should not compare the outputs of the different models based on the same inputs.

Mr. Zuccaro reviewed what the models can do and what they cannot do, discussed the possibility of incorporating a “market probability” within the models, if even possible, discussed the idea of using high/low scenarios, and presented the main direct inputs/assumptions to the model.

Finance Committee Chairperson Maloney and Mr. Zuccaro will meet separately and discuss when best to use the model and report back to the Committee.

Mr. Zuccaro’s PowerPoint presentation is attached and made part of these minutes.

UPDATE FINANCE COMMITTEE WORKPLAN – 2018

Staff presented the updated Finance Committee Work Plan for 2018. This Work Plan can be located in the packet of the march 12, 2018 Finance Committee Meeting.

REVIEW OF FEES, RATES, & CHARGES

Emily Hogan, Assistant to the City Manager, presented schedules of fees set by Council Resolution and fees set by the City Manager for the Committee’s review. Finance Committee Member Lipton indicated that the fees should be set to cover the cost of the related services and that the fees should be increased annually based on the annual increase in costs to provide the services.

The schedules and corresponding narrative can be located in the packet of the March 12, 2018 Finance Committee Meeting.

REVIEW OF KEY PERFORMANCE INDICATORS

Emily Hogan, Assistant to the City Manager, presented redline drafts of the Key Performance Indicators. The redlines represented changes to the Sub-Program objectives and indicators as requested by departments.

The Committee discussed their overall expectations for the indicators and specifically requested that they be “actionable” and tied to budget requests. Finance Committee Chairperson Maloney will meet separately with the City Manager to discuss expectations further.

The reports and corresponding narrative can be located in the packet of the March 12, 2018 Finance Committee Meeting.

DISCUSSION ON “TURNBACK”

The item was continued to the April meeting.

STAFF REPORTS

None.

DISCUSSION ITEMS FOR THE NEXT REGULAR MEETING

The next regular Finance Committee Meeting is scheduled for Monday, April 16, 2018 at 7:30 a.m.

Items scheduled for discussion at the next meeting include:

- Windy Gap Financing (tentative)
- Fiscal Impact Model
- Key Performance Indicators
- Discussion on “Turnback”
- Financial Statements for the Quarter Ended March 31, 2018

ADJOURN

The meeting was adjourned at 9:04 a.m.

Finance Committee – Fiscal Analysis Presentation 3/12/2018

Community Design Program/Subprogram

Goal: Sustain an inclusive, family-friendly community with a small-town atmosphere; effective and efficient building services; and effective preservation of the City's historic structures through a voluntary system.

Objective: A well-connected and safe community that is easy for all people to walk, bike, or drive in. Neighborhoods that are rated highly by residents and thriving commercial areas. An open and inclusive long-range planning process with significant public participation.

1

Finance Committee – Fiscal Analysis Presentation 3/12/2018

Two Fiscal Model Types

Originally Developed in 2014 – Move from Direct Cost to Marginal Cost Models

- **Development Impact Model**
Marginal/Direct Cost Hybrid for Individual Development Proposals
- **Area Planning Model**
Marginal Cost Model for City-Wide or Area Land Use Scenarios

2

Finance Committee – Fiscal Analysis Presentation 3/12/2018

Fiscal Models Can Help:

- Ensure new developments have sustainable funding for City capital and services
- Evaluate fiscal impact of different land use scenarios and changes

Fiscal Models Do Not Evaluate:

- Social Impacts
- Environmental Impacts
- Community Character
- Market Probability

3

Finance Committee – Fiscal Analysis Presentation 3/12/2018

20-Year Scenarios:

Cumulative Combined Funds Results (x\$1,000) - Scenario Comparisons (x\$1,000)						
City of Louisville Fiscal Impact Model						
	SCENARIO					
Revenue by Fund	Urban	%	Suburban	%	Rural	%
General Fund	\$41,886	61%	\$7,114	62%	\$7,915	66%
Open Spaces & Parks Fund	\$6,084	9%	\$1,022	9%	\$908	8%
Lottery Fund	\$0	0%	\$0	0%	\$0	0%
Historic Preservation Fund	\$2,199	3%	\$371	3%	\$360	3%
Capital Projects Fund	\$18,462	27%	\$3,008	26%	\$2,751	23%
TOTAL REVENUE	\$68,630	100%	\$11,516	100%	\$11,933	100%
Expenditures by Fund						
General Fund	\$25,347	48%	\$4,857	60%	\$9,569	82%
Open Spaces & Parks Fund	\$531	1%	\$51	1%	\$11	0%
Lottery Fund	\$0	0%	\$0	0%	\$0	0%
Historic Preservation Fund	\$0	0%	\$0	0%	\$0	0%
Capital Projects Fund	\$26,571	51%	\$3,204	39%	\$2,037	18%
TOTAL EXPENDITURES	\$52,449	100%	\$8,112	100%	\$11,618	100%
NET FISCAL RESULT BY FUND						
General Fund	\$16,539		\$2,258		(\$1,654)	
Open Spaces & Parks Fund	\$5,552		\$971		\$897	
Lottery Fund	\$0		\$0		\$0	
Historic Preservation Fund	\$2,199		\$371		\$360	
Capital Projects Fund	(\$8,109)		(\$196)		\$713	
NET FISCAL IMPACT	\$16,181		\$3,404		\$316	

4

Finance Committee – Fiscal Analysis Presentation 3/12/2018

Fiscal Model Direct Inputs

City must derive data from reliable source or make assumptions

RESIDENTIAL DEVELOPMENT COMPONENT			YES		
Land Use Profile			Potential New Development	Type of Absorption	Annual Absorption/ Percent Absorbed
Residential Low Density	2.57 Persons Per Unit	33 Lin. Ft. Lot Width	1,000 Units	Percent Absorbed ▾	10 Units
Market Value:	\$600,000 Per Unit	6.76 Vehicle Trips	50% Adj. Factor		10.00%
Construction Value	\$300,000 Per Unit	\$132,000 HH Income	35% on Taxables Items		
Residential Medium Density	1.26 Persons Per Unit	8 Lin. Ft. Lot Width	361 Units	Percent Absorbed ▾	50 Units
Market Value:	\$550,000 Per Unit	4.13 Vehicle Trips	50% Adj. Factor		14.00%
Construction Value	\$275,000 Per Unit	\$121,000 HH Income	35% on Taxables Items		
Residential High Density	1.38 Persons Per Unit	8 Lin. Ft. Lot Width	0 Units	Percent Absorbed ▾	0 Units
Market Value:	\$350,000 Per Unit	4.68 Vehicle Trips	50% Adj. Factor		30.00%
Construction Value	\$175,000 Per Unit	\$77,000 HH Income	35% on Taxables Items		

NONRESIDENTIAL DEVELOPMENT COMPONENT					
Land Use Profile			Potential New Development	Type of Absorption	Annual Absorption/ Percent Absorbed
Retail <25k	78.33 Vehicle Trips	28% Adj. Factor	136,618 Sq. Ft.	Percent Absorbed ▾	47,000 Sq. Ft.
Market Value:	\$272 Per Sq. Ft.	Construction Value:	\$194 Per Sq. Ft.		10.00%
Employment Density:	3.33 Per 1,000 Sq. Ft.	\$150 Sales Per Sq. Ft.	\$0 Spending per Emp.		
Retail 25-50k	61.46 Vehicle Trips	31% Adj. Factor	0 Sq. Ft.	Percent Absorbed ▾	75,000 Sq. Ft.
Market Value:	\$259 Per Sq. Ft.	Construction Value:	\$185 Per Sq. Ft.		10.00%
Employment Density:	2.86 Per 1,000 Sq. Ft.	\$200 Sales Per Sq. Ft.	\$0 Spending per Emp.		
Hotel	6.33 Vehicle Trips	50% Adj. Factor	206,808 Sq. Ft.	Percent Absorbed ▾	0 Sq. Ft.
Market Value:	\$272 Per Sq. Ft.	Construction Value:	\$194 Per Sq. Ft.		10.00%
Employment Density:	0.62 Per 1,000 Sq. Ft.	\$52 Sales Per Sq. Ft.	\$1,200 Spending per Emp.		
Office <25k	13.00 Vehicle Trips	50% Adj. Factor	0 Sq. Ft.	Percent Absorbed ▾	0 Sq. Ft.
Market Value:	\$272 Per Sq. Ft.	Construction Value:	\$194 Per Sq. Ft.		10.00%
Employment Density:	4.13 Per 1,000 Sq. Ft.	\$0 Sales Per Sq. Ft.	\$5,000 Spending per Emp.		

Finance Committee – Fiscal Analysis Presentation 3/12/2018

Direct Inputs

Inputs	Source/Assumption
Persons/Unit	Census/American Community Survey
Unit/Construction Value	Developer/Market Research
Res. Income	Developer/15% of Unit Value
Res. Income Spent on Taxable Items	35% of Income
Res. Spending Captured in City	40%
Vehicle Trips	Institute of Traffic Engineers
Employee Density	Institute of Traffic Engineers
Employee Spending	ICSC/Staff Assumption: Office = \$5,000 & Retail = \$1,200
Retail Tax/Sq. Ft.	<25K = \$100 25K-50K = \$200 > 50K = \$300
Absorptions Rates	Developer/Staff Assumption: 7 Year Residential & 20 Year Commercial

Finance Committee – Fiscal Analysis Presentation 3/12/2018

Low/High Scenarios*Example Residential Scenario*

	High	Low
Units	100	100
House Value	\$800,000	\$450,000
Construction Value	\$400,000	\$225,000
HH Income	\$120,000	\$67,500
Absorption	8 years	8 years

7

Finance Committee – Fiscal Analysis Presentation 3/12/2018

Low/High Scenarios

Cumulative Combined Funds Results (x\$1,000) - Scenario Comparisons (x\$1,000)				
City of Louisville				
Fiscal Impact Model				
	SCENARIO			
	High	%	Low	
Revenue by Fund				
General Fund	\$1,796	56%	\$1,310	
Open Spaces & Parks Fund	\$257	8%	\$144	
Lottery Fund	\$0	0%	\$0	
Historic Preservation Fund	\$92	3%	\$55	
Capital Projects Fund	\$1,035	33%	\$736	
TOTAL REVENUE	\$3,180	100%	\$2,245	
Expenditures by Fund				
General Fund	\$1,491	59%	\$1,491	
Open Spaces & Parks Fund	\$85	3%	\$85	
Lottery Fund	\$0	0%	\$0	
Historic Preservation Fund	\$0	0%	\$0	
Capital Projects Fund	\$970	38%	\$970	
TOTAL EXPENDITURES	\$2,546	100%	\$2,546	
NET FISCAL RESULT BY FUND				
General Fund	\$305		(\$181)	
Open Spaces & Parks Fund	\$171		\$59	
Lottery Fund	\$0		\$0	
Historic Preservation Fund	\$92		\$55	
Capital Projects Fund	\$66		(\$234)	
NET FISCAL IMPACT	\$634		(\$301)	

8

Finance Committee – Fiscal Analysis Presentation 3/12/2018

Low/High Scenarios*Example Residential Scenario*

	High	Low
Units	100	100
House Value	\$800,000	\$450,000
Construction Value	\$400,000	\$225,000
HH Income	\$120,000	\$67,500
Absorption	8 years	4 years

9

Finance Committee – Fiscal Analysis Presentation 3/12/2018

Low/High Scenarios

Cumulative Combined Funds Results (x\$1,000) - Scenario Comparisons (x\$1,000)				
City of Louisville				
Fiscal Impact Model				
	SCENARIO			
	High	%	Low	%
Revenue by Fund				
General Fund	\$1,796	56%	\$1,433	60%
Open Spaces & Parks Fund	\$257	8%	\$150	6%
Lottery Fund	\$0	0%	\$0	0%
Historic Preservation Fund	\$92	3%	\$57	2%
Capital Projects Fund	\$1,035	33%	\$751	31%
TOTAL REVENUE	\$3,180	100%	\$2,391	100%
Expenditures by Fund				
General Fund	\$1,491	59%	\$1,630	60%
Open Spaces & Parks Fund	\$85	3%	\$93	3%
Lottery Fund	\$0	0%	\$0	0%
Historic Preservation Fund	\$0	0%	\$0	0%
Capital Projects Fund	\$970	38%	\$993	37%
TOTAL EXPENDITURES	\$2,546	100%	\$2,716	100%
NET FISCAL RESULT BY FUND				
General Fund	\$305		(\$197)	
Open Spaces & Parks Fund	\$171		\$57	
Lottery Fund	\$0		\$0	
Historic Preservation Fund	\$92		\$57	
Capital Projects Fund	\$66		(\$242)	
NET FISCAL IMPACT	\$634		(\$325)	

10

Finance Committee – Fiscal Analysis Presentation 3/12/2018

Low/High Scenarios*Assumptions?*

- 80% of Developer Provided/Anticipated Values
- Double Absorption Rates

11

Finance Committee – Fiscal Analysis Presentation 3/12/2018

Low/High Scenarios*Example Mixed Use*

	High	Low
Residential Units	100	80
House Value	\$600,000	\$450,000
Construction Value	\$300,000	\$225,000
HH Income	\$120,000	\$67,500
Absorption	4 years	8 years
Office	20,000 sq. ft.	16,000 sq. ft.
Market Value	\$300	\$240
Construction Value	\$200	\$160
Worker Spending	\$5,000	\$4,000
Absorption	10 years	20 years
Retail	10,000	8,000
Market Value	\$250/sq. ft.	\$200
Construction Value	\$180/sq. ft.	\$144
Worker Spending	\$1,200	\$960
Sales Per sq. ft.	\$100	\$80
Absorption	10 years	20 years

12

Finance Committee – Fiscal Analysis Presentation 3/12/2018

Low/High Scenarios***Example Mixed Use***

Cumulative Combined Funds Results (x\$1,000) - Scenario Comparisons (x\$1,000)
City of Louisville
Fiscal Impact Model

	SCENARIO			
	High	%	Low	%
Revenue by Fund				
General Fund	\$2,416	60%	\$1,003	52%
Open Spaces & Parks Fund	\$309	8%	\$152	8%
Lottery Fund	\$0	0%	\$0	0%
Historic Preservation Fund	\$114	3%	\$56	3%
Capital Projects Fund	\$1,195	30%	\$701	37%
TOTAL REVENUE	\$4,034	100%	\$1,912	100%
Expenditures by Fund				
General Fund	\$1,891	62%	\$883	52%
Open Spaces & Parks Fund	\$93	3%	\$42	3%
Lottery Fund	\$0	0%	\$0	0%
Historic Preservation Fund	\$0	0%	\$0	0%
Capital Projects Fund	\$1,075	35%	\$765	45%
TOTAL EXPENDITURES	\$3,060	100%	\$1,691	100%
NET FISCAL RESULT BY FUND				
General Fund	\$525		\$120	
Open Spaces & Parks Fund	\$216		\$110	
Lottery Fund	\$0		\$0	
Historic Preservation Fund	\$114		\$56	
Capital Projects Fund	\$120		(\$64)	
NET FISCAL IMPACT	\$974		\$222	

13

Finance Committee – Fiscal Analysis Presentation 3/12/2018

When to Use Model?

- Zone Change/General Development Plan Approvals or Amendments?
- Land Use Planning (Comprehensive and Area Plans)?
- Subdivisions? (Minimum Number of Lots?)
- Mixed Use Developments?
- Individual Parcel Development Proposals?

14

SUBJECT: DISCUSSION ON FISCAL IMPACT MODEL

DATE: APRIL 16, 2018

**PRESENTED BY: ROB ZUCCARO, DIRECTOR OF PLANNING AND BUILDING
SAFETY**

SUMMARY:

The attached document contains a table that provides a general guide on when staff should utilize the Fiscal Impact Model during development review. This is a working document presented only for review and discussion.

When to Run Fiscal Model:

The following table provides a general guide on when staff should utilize the fiscal model in development review. This should not preclude staff, the Planning Commission or City Council from requesting that the fiscal model be used for development types not marked below if the analysis may be beneficial in the development review process. The intent is to use the fiscal model only when needed to understand the possible impact of land use changes and development on the fiscal health of the City and to understand the funding needed to maintain current levels of City services. The model can also be used to inform City resource and capital planning to accommodate larger scale developments.

<i>Application Type</i>	<i>Yes</i>	<i>No</i>	<i>Model Type</i>
Comprehensive Plan Policy – Land Use/Density Implications	X		Marginal Cost
Zone Change	X		Marginal Cost if more than one lot/Direct Cost if one lot
General Development Plan - New	X		Marginal Cost
General Development Plan Amendment – Land Use/Density Changes	X		Marginal Cost or Direct Cost depending on scope
General Development Plan Amendment – No Land Use/Density Changes		X	
Mixed Use Development PUD	X		Direct Cost
Individual Parcel PUD – by right		X	
Special Review Use		X	
Residential Subdivision – by right, more than two lots created	X		Direct Cost
Residential Subdivision – by right, no more than two lots created		X	
Non-Residential Subdivision – by right		X	
Civic Buildings		X	

SUBJECT: ANNUAL EDITS TO KEY PERFORMANCE INDICATORS

DATE: APRIL 16, 2018

**PRESENTED BY: EMILY HOGAN, ASSISTANT TO THE CITY MANAGER
HEATHER BALSER, CITY MANAGER**

SUMMARY:

Staff is presenting edits to the Key Performance Indicators (KPIs) that City Council approved during the 2018 budget process. The Finance Committee developed 38 Key Performance Indicators for the City's Sub-Programs with the following elements:

- Goals and objectives that clearly reflect what is intended to be achieved through all Sub-Program related activities.
- Workload measures that show the quantity or volume of products, services, or efforts involved.
- Efficiency measures that demonstrate the resources used to accomplish a measureable outcome, level of productivity and/or cost per unit of output.
- Effectiveness measures that indicate how well a program is accomplishing the stated goals and objectives. They often measure the results, accomplishments or quality of the products or services provided.

Staff reviews the program and sub-program goals and objectives and measures annually to determine if the goals and objectives reflect Council's priorities and if there are different measures that should be used (i.e. measures that provide better data or can be automated). The Finance Committee reviewed the proposed changes on March 12th and requested that staff reevaluate their effectiveness measures and consider other metrics that indicate if staff is meeting the goals of their Sub-Programs. Additional edits have been made to the following KPIs since the last meeting:

- Administration & Support Services, Governance & Administration
- Administration & Support Services, Public Information & Involvement
- Administration & Support Services, Sustainability
- Cultural Services, Cultural Arts & Special Events
- Economic Prosperity, Business Retention & Development
- Recreation, Aquatics
- Recreation, Senior Activities & Services
- Recreation, Youth Activities

Additionally at the beginning of 2018, staff removed all measures that used data from the Citizen Satisfaction Survey as it is only conducted every four years and does not provide useful trend data. After comparing the City's metrics to other communities, staff

SUBJECT: ANNUAL EDITS TO KEY PERFORMANCE INDICATORS

DATE: APRIL 16, 2018

PAGE 2 OF 2

found that citizen survey results are one of the most commonly used measures for evaluating how well a program is accomplishing its goals. Staff recommends that the City conduct the Citizen Satisfaction Survey every two years instead and add those metrics back into the KPIs to help measure effectiveness.

FISCAL IMPACT:

Dependent on frequency of Citizen Satisfaction Survey (approx. \$25,000 per survey).

PROGRAM/SUB-PROGRAM IMPACT:

One of the objectives for the Governance and Administration Sub-Program is monitoring and managing service delivery to maintain effectiveness and efficiency. Reviewing the Key Performance Indicators annually ensures that the City is using measures that provide useful information in regards to efficiency and effectiveness.

RECOMMENDATION:

Discussion and direction of the KPI edits.

ATTACHMENT(S):

Redline Key Indicators

Administration & Support Services Program Key Indicators

Finance, Accounting & Tax Administration Sub-Program

Goals

Ensure inclusive, responsive, transparent, friendly, fiscally responsible, effective and efficient governance, administration, and support.

Objectives

~~To provide financial services in an e~~Efficiently and effectively manner and to provide all financial and accounting services as required by the City, including all accounting and financial reporting, that is accurate, timely, relevant, and transparent. ~~To develop, m~~Maintain, and monitor financial policies and internal controls to ensure the safeguarding of public assets and organizational compliance with laws and regulations, and Council directives. ~~To provide and efficient, effective, and transparent~~ Ensure accurate and timely budget development, ~~reporting~~implementation, and monitoring process. ~~To p~~Provide other financial services, such as long-term financial planning, debt administration, cash and investment management, cash disbursements, cash collectionsreceipts, and front counter servicesoperations.

INDICATOR	UNIT	2017 ACTUAL	2018 PROJECTED	2019 PROJECTED	2020 PROJECTED
Workload					
Journal Entries Posted	Entries				
Accounts Payable & P-Card Transactions	Transactions				
Receipts Processed	Transactions				
Sales & Use Tax Returns Processed	Returns				
Payroll Checks & NOD's Processed	Transactions				
Utility Bills Processed	Billings				
Combined Utility Revenue Collected	Dollars				
Average Cash & Investment Balance and Rate of Return ¹	Average \$'s				
	Rate of Return				
Efficiency					
Direct Op Cost to Process One PR Trans	Cost/Trans (\$'s)				
Direct Op Cost to Process One AP Trans	Cost/Trans (\$'s)				
Direct Op Cost to Process One Utility Bill	Cost/Bill (\$'s)				
Effectiveness					
Unmodified Audit Opinion	Yes/No				
GFOA CAFR and Budget Awards	Yes/No				
Revenue Forecast Accuracy ²	Accuracy				
Sales & Use Tax Audit Evaluation Rating ³	Rating				
Sales/Use Tax Training Evaluation Rating ³	Rating				

¹ Excludes URA bond proceeds.

² Excludes interfund transfers.

³ Based on evaluation cards submitted at conclusion of each audit and each training program.

Administration & Support Services Program Key Indicators Governance & Administration Sub-Program

Goals

Ensure inclusive, responsive, transparent, friendly, fiscally responsible, effective and efficient governance, administration, and support.

Objectives

Governance based on thorough understanding of the community's diverse interests executed through clear and effective policy direction. Administration that supports informed policy making, ensures the City has the financial capacity to sustain Council adopted levels of service, monitors and manages service delivery to maintain effectiveness and efficiency, and promotes a healthy organizational culture.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
Workload					
Public Meetings ¹	Meetings				
City Council Agenda Items	Items				
City Council Requests ²	Items				
Efficiency					
Average Meeting Time per Regular Agenda Issue	Minutes/Issue				
\$ per Capita³	Program \$/				
	Sub-Program \$/				
Avg. Days to Respond to City Council Request	Days				
Effectiveness					
Bond Rating	S&P Rating				
Employee Turnover Rate	%				
Year-End General Fund Balance	\$				
¹ City Council regular meetings and study sessions. ² Items submitted for staff follow-up through City Council request tracking system. ³ City transitioned to program-based budget in 2017, resulting in additional sub-programs/expenses under General Administration.					

Administration & Support Services Program Key Indicators Human Resources & Organizational Development Sub-Program

Goals

Ensure inclusive, responsive, transparent, friendly, fiscally responsible, effective and efficient governance, administration, and support.

Objectives

Be an employer of choice, with low employee turnover and high morale. Attract and retain highly qualified and dedicated employees by providing competitive compensation and benefits, effective employee training, and ongoing career and professional development opportunities. Maintain a positive work environment through regular position classification and review, workforce planning, salary administration and employee relations. Maintain a safe workplace through employee safety training.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
Workload					
Citywide FTEs	FTE Positions				
Citywide Employees (Full & Part Time)	Active Employees				
Recruiting/Hiring/Screening (Vacant Positions Filled)	Positions				
Applications Reviewed	Applications				
Training Classes Offered to Employees	Classes				
Personnel Actions (PA) processed	PAs				
Employee Relations Cases ¹	Cases				
Volunteer Backgrounds and Verifications of Employment processed	Number Completed				
<u>Unemployment Claims</u>	<u>Number Processed</u>				
Efficiency					
\$ Per FTE (Benefits) ²	\$				
Average Time Between Position Closed & Offer Made ³	Calendar Days				
HR FTE per Citywide FTE	HR FTE/City FTE				
HR Budget/General Fund Expenditures ⁴	%/General Fund				
Effectiveness					
<u>Citywide Employee Satisfaction⁵</u>	<u>Rating</u>				
Employee Turnover	% Turnover among FTEs				
Performance Appraisals Completed on Schedule	% Completed within 30 Days of Due Date				
Satisfaction Rating for Training Classes Offered (1-10 rating scale)	Training Evaluation Forms				
Workers Compensation Rating	Experience Mod				

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
¹ Case defined as coaching opportunity or situation that requires extended follow-up (more than one hour) and assistance from Human Resources for resolution. ² Reduction from 2015 to 2016 was due to a decrease in premium, not benefits. This indicates cost of Health, Dental, and Vision benefits. ³ Time to fill benefitted full-time vacancy when position is open for 14 days (Data based on date position was closed until date position is offered to the candidate.) ⁴ Includes General Fund Expenditures less Interfund Transfers, Total= \$16,924,445 (2016), \$19,314,425 (2017), \$20,190,610 (2018). ⁵ Ratings "negative" = less than 3.0, Neutral = 3.01-3.22, Somewhat Positive = 3.23-3.44, Positive = 3.45 – 3.74, Very Positive = 3.75 and above. Conducted every other year.					

Administration & Support Services Program Key Indicators Legal Support Sub-Program

Goals

Ensure inclusive, responsive, transparent, friendly, fiscally responsible, effective and efficient governance, administration and support.

Objectives

Effective, cost efficient and responsive legal advice for City Council, Management, and staff in legal matters pertaining to their official powers and duties. Represent the City in all legal proceedings, finalize all legal documents for the City.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
Workload					
City Legal Work ¹	Hours				
Water Attorney Legal Work	Hours				
Urban Renewal Legal Work	Hours				
Legal Memorandums	Items				
Legislation Drafted²	Items				
Education/Trainings Offered ³	Units				
Documents Prepared or Reviewed⁴	Items				
Efficiency					
Ave Time to Process Contracts	Days/Contract				
City Legal Work \$/Year	\$				
Water Legal Work \$/Year	\$				
Urban Renewal Work \$/Year	\$				
Effectiveness					
Customer Service Survey Results ⁵	Rating 1 to 4				

¹ Includes formal and informal legal opinions or interpretations, research, and litigation by the City Attorney.

² ~~Resolutions, proclamations, and ordinances considered by City Council.~~

³ Open government trainings also included in City Clerk/Public Records Sub-Program.

⁴ Contracts and agreements (new and amendments to existing) reviewed by City Council at regular meetings.

⁵ Based on evaluation survey rating customer service on a scale of 1=Excellent, 2=Good, 3=Fair, 4=Poor.

Commented [EK1]: No accurate way to measure. For memos/documents, staff or City Attorney's Office would have to take time to create metric to measure. Bills for legal work are already divided into hours for work but are not divided by memo or document, making it time consuming to determine exact number of items completed or time committed to each item.

Commented [EK2]: City Attorney's Office writes/reviews some legislation, but it is mixed with legislation written by staff making it difficult to measure.

Commented [EK3]: Similarly not all contracts are processed by City Attorney's Office making it difficult to measure.

Administration & Support Services Program Key Indicators Public Information & Involvement Sub-Program

Goals

Ensure inclusive, responsive, transparent, friendly, fiscally responsible, effective and efficient governance, administration, and support.

Objectives

Easy and timely access to all relevant information about City programs and services. Processes that give anyone interested opportunities to get involved and influence decision making.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
Workload					
Newsletters Produced	Units				
Meetings Broadcast on Channel 8/ Streaming Online ¹	Units				
Public/Media/Citizen Inquiries ^{2&3}	Items				
Website Content Updates Monthly	Updates/Month				
Social Media Posts ⁴	Items				
Topics Questions Posted on Engage Louisville	Items				
Press Releases Issued	#				
Community Workshops	#				
Efficiency					
Ave. Response Time/Citizen Inquiry	Days/Inquiry				
Cost to Produce Newsletter per Capita	\$				
Residents Who Speak at City Council Regular Meetings⁵	Attendees				
Effectiveness					
Website Enotification Subscribers	Subscribers				
Residents Subscribed to E-Newsletter	Subscribers				
Website Visitors	Visitors				
Social Media Followers ⁴	Followers				
Engage Louisville Users	Users				
Attendees at Community Workshops	Attendees				
¹ City Council, Planning Commission and Historic Preservation Commission Meetings. ² Inquiries tracked since August 2016. ³ Expect total to decline based on launch of Citizen Request Online Portal in 2017. ⁴ City of Louisville's Facebook <u>and Twitter</u> followers. ⁵ Includes items both on and off the meeting agenda.					

Administration & Support Services Program Key Indicators Sustainability Sub-Program

Goals

Ensure inclusive, responsive, transparent, friendly, fiscally responsible, effective and efficient governance, administration, and support.

Objectives

Use environmental, economic, and human resources to meet present and future needs without compromising the ecosystems on which we depend. Actively pursue ~~energy~~ efficient operational upgrades to realize cost savings and reduce environmental impacts.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
Workload					
Sustainability Programs ¹	Units				
Events and Programs ¹	#				
Waste Generation and Diversion	Items				
Sustainability Communications ²					
Regional Partnership Building	Hours				
City Energy Upgrades	#				
Efficiency					
Average Cost per Event	\$ / Event				
Regional Partnership Resources Leveraged	\$				
City Facility Water Usage ³	Gallons				
Annual City Fleet Fuel Consumption	Avg \$ / Fleet Vehicle Unleaded Gallons/ Diesel Gallons Consumed				
City Facility BTUs/Gross Square Foot ⁸	BTU/GSF				
City Energy Upgrade Cost Savings ⁴	\$ Saved				
Effectiveness					
Community Residential -Waste Diversion Compared to State Rate ³	%Diversion Rate				
Commercial Waste Diversion	Diversion Rate				
City Organized Zero Waste Events ⁴	#				
Community GHG Emissions from Household Energy Consumption ⁵	GHG/Capita				
Annual Percent Reduction/Increase of Community Energy Use/per Capita (Electricity) ^{3e}	%kWh/Capita				
Annual Percent Reduction/Increase of Community Water Use/per Capita	%Gallons/Capita				
City Facility Water Usage ⁷	Gallons				

Commented [EK1]: GHG emissions inventory conducted every 4 years.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
<u>City Fleet Fuel Usage</u>	<u>Avg \$ / Fleet Vehicle</u>				
<u>BTUs/Gross Square Foot⁸</u>	<u>BTU/GSF</u>				
<u>Cost Savings from Energy Upgrades⁷ City Energy Upgrade Cost Savings⁹</u>	<u>\$ Saved</u>				
<u>¹Encouraging Sustainability for Both Residential and Commercial Properties² Rating³ Outreach and Engagement Participation</u>	<u>% Essential or Important number of participants</u>				
¹ Includes all identified Outreach and Engagement events and programs (i.e. Sustainability Series, Green Business Program, Partners in Energy, zero waste events, etc.) ² Communications includes but is not limited to: direct email, website updating, press releases, evaluation surveys, etc. ³ Energy savings for projects during current year. ⁴ Includes five largest City facilities: City Hall, City Services, Library, Police & Court, Recreation & Senior Center. ⁵ Based on most recent annual Xcel Community Energy Report (Residential kWh from Xcel energy / population = kWh per capita).					

Community Design Program Key Indicators Community Design Sub-Program

Goals

Sustain an inclusive, family-friendly community with a small-town atmosphere, effective and efficient building services and effective preservation of the City's historic structures through a voluntary system.

Objectives

A well-connected and safe community that is easy for all people to walk, bike, or drive in. Neighborhoods that are rated highly by residents and thriving commercial areas. An open and inclusive long-range planning process with significant public participation.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
Workload					
Municipal Code Amendments	# Processed				
Long Rang Plan Projects	# Worked On				
Long-Range Planning Projects (Area Plans, Neighborhood Plans, etc.)	Hours (Estimates)				
Community Open Houses/Meetings	Events				
Efficiency					
Direct Cost per Code Amendment	\$/ Amendment				
Subprogram Expenditures per \$/Long-Range Plan or Study	\$/Plan				
Hours per Completed Plan¹	Hours/Plan				
Staff Hours per Open House/Meetings	Hours/Event				
Number of Subscribers on Engage Louisville on Community Design Related Projects/Cost	# of Comments/ \$				
Effectiveness					
New Development Audit Rating ²	Rating				
Number of Subscribers on Engage Louisville on Community Design Related Projects					

Commented [RZ1]: Some code amendments just cleanups, don't all have substantial impact on community design.

Commented [RZ2]: Staff doesn't currently track hours.

Commented [RZ3]: Staff doesn't currently track hours.

¹ May not track by year because plans may take longer than one year to complete.

² Annual audit of how well developments satisfy design criteria. 1-5 rating, with 1 not meeting standard and has negative effect, 2 not meeting standard, 3 meets standard, 4 slightly exceeds standard and 5 greatly exceeds standard.

Community Design Program Key Indicators Development Review Sub-Program

Goals

Sustain an inclusive, family-friendly community with a small-town atmosphere, effective and efficient building services and effective preservation of the City's historic structures through a voluntary system

Objectives

Review development applications and enforce the building, zoning and subdivision laws of the city to promote public health, safety, comfort, convenience, prosperity, general welfare and consumer protection.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
Workload					
Pre-Application Conferences	# Held				
Development Review Applications (PUD, SRU, Plats, etc.)	# Processed				
Administrative Reviews/Amendments	# Processed				
Building Permits Processed	# Processed				
Building Inspections Completed	# Completed				
Efficiency					
Direct Cost Subprogram Expenditure per Development Application	\$/Application				
Direct Cost Subprogram Expenditure per Building Permit Review	\$/Permit				
Direct Cost Subprogram Expenditure per Inspection	\$/Inspect				
Building Permit Review Time	Ave Review Time				
Development Review Time	Ave Review Time				
Effectiveness					
Building Inspection Rollovers	Ave/Month				
Customer Service and Program Rating ¹	Rating				

¹ Based on evaluation survey submitted with each permit and development plan application, rating scale of 4=Excellent, 3=Good, 2=Fair, 1=Poor.

Community Design Program Key Indicators Historic Preservation Sub-Program

Goals

Sustain an inclusive, family-friendly community with a small-town atmosphere, effective and efficient building services and effective preservation of the City's historic structures through a voluntary system.

Objectives

~~*Provide incentives to preserve the historic character of old town to encourage the promotion and preservation of Louisville's history and cultural heritage. Provide incentives and processes to preserve historic buildings. Encourage voluntary preservation and rehabilitation of historic structures through financial and zoning incentives. Engage the community in the history of Louisville and the unique tools for preservation. Continue to lead the field of local historic preservation by developing innovative and user-friendly processes.*~~

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
Workload					
Historic Preservation Commission & Subcommittee Application Public Hearing Reviews	# Processed				
Subcommittee Reviews	# Processed				
Administrative Reviews/Determinations	# Processed				
Social Histories Reports	# Reports				
Outreach Events	# of Events				
Special Projects (Preservation Master Plan, Historic Context Studies, etc.)	Hours				
Efficiency					
Direct Cost per HPC Applications Processed	\$/# Processed				
Direct Cost per Historic Preservation Administrative Review	# Processed/ FTE				
Public Hearing Application Review Time to HPC Number of applications not reviewed at next HPC meeting after application is made	Average Review Time/# of applications				
Subcommittee Demolition Review Time	Average Review Time				
Administrative Demolition Application Review Time	Average Review Time				
Ratio of Grant Funds Awarded to Administrative Costs	% Grants to Admin Costs				
Effectiveness					
Landmarked Structures	# per year				
Historic Structure Assessments Grants (HSA) Resulting in Landmarking ⁺	% Approved to Completed% resulting in Landmarking				
Landmarked Structures	# per year				

Commented [LT1]: No consistent comparable number.

Commented [LT2]: Due to the voluntary nature of the program, when application numbers are low staff spends more time on special projects and process improvements. This ratio could give a false impression of lack of efficiency. In addition, not all applications are equal. Some applications require more time due to their complexity.

Commented [LT3]: It is unusual that an application (other than a demolition) would not be reviewed at the following meeting.

Commented [LT4]: Grant applications are voluntary. Sometimes we need more outreach (admin costs) to get people to apply for grants. Administrative time can be used on other projects.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
Grants/Loans Approved	\$				
Participants Engagement at Outreach Events	Average Total # of Participants				
Zoning Incentives	# permits using bonuses				
Demolition Stays Resulting in Preservation ⁴	% Resulting in Preservation				

Commented [LT5]: This is not something we are currently keeping track of but I think we should.

Commented [LT6]: Preservation can mean more than landmarking. This could be interpretive signage, salvaging materials, documentation through survey, etc. Could also be the demo permit expired. We are looking at the effectiveness of the stay this year and re-evaluating the demolition process. Is this something we want to keep measuring? It doesn't take in to account the demolitions that are prevented by staff through pre-application meetings.

Cultural Services Program Key Indicators Cultural Arts & Special Events Sub-Program

Goals

Provide services, facilities and activities that inform, involve, engage and inspire the community and preserve the community heritage. Continue City sponsored events.

Objectives

High-quality, diverse community-wide special events, public art, cultural arts programming for residents of and visitors to Louisville. Provide facilities for community cultural arts programming.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
Workload					
Cultural Council Events Managed	Events				
Collaboration with Other Arts Organizations Rental Contracts Managed	Contracts				
Marketing Materials Produced ¹	Items				
Vendor Contracts Managed	Items				
City Special Events Managed²	Events				
Public Art Pieces Managed ³²	Pieces				
Efficiency					
\$ per Event/ \$ per Attendee	Street Faire				
	July 4th				
	Fall Festival				
	LCC Events				
Marketing Impressions/Material Produced	Impressions				
Marketing Cost Materials \$Hours /Attendee	Cost/Attendee				
Staff Hours /Volunteer Hours	Hours/Hours				
Downtown Flowers	\$/Sales Tax Revenue				
Holiday Lights	\$/Sales Tax Revenue				
Effectiveness					
Fall Festival	Attendees				
4 th of July Fireworks	Viewers				
LCC Events	Attendees/Capacity				
Street Faire	Attendees				
Average Rating of Programs⁴	Rating on Scale of 1 to 5				
Total LCC Revenue of Tickets Sold	\$				
Steinbaugh Pavilion Utilization	Days Arts Use/Available Days				
Arts Center Utilization	HoursDays of Arts Use/Available Days				

Commented [KZ1]: This is to clarify what is meant by this item. It also reflects the object above to provide facilities for cultural arts programming.

Commented [KZ2]: Added to account for one-time special events (ribbon cuttings, grand openings, etc.).

Commented [KZ3]: Changed metric from \$ to hours to better reflect resources utilized for marketing.

Commented [KZ4]: Added a metric for these items because they are a part of the CASE budget.

Commented [KZ5]: New Metric, to be collected via online surveys on Engage Louisville

¹ Includes posters, e-newsletters, paid advertisements, handbills, radio ad copy, social media posts and press releases.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
² Includes each individual City special event managed including: 4 th of July Fireworks, Labor Day Parade, Pet Parade, Fall Festival, Senior Dinner, and one-time City special events such as ribbon cuttings and grand openings. ³ Number of public artwork pieces under the care of the City and available for public viewing on an ongoing or rotating basis ⁴ Based on annual evaluation survey submitted online with rating on a scale of 5=Excellent, 4=Good, 3=Neutral, 2=Fair, 1=Poor.					

Economic Prosperity Program Key Indicators Business Retention and Development Sub-Program

Goals

Promote a thriving business climate that provides job opportunities, facilitates investment, and produces reliable revenue to support City services.

Objectives

Maintain positive business relationships throughout the community and assist property owners, brokers, and companies in finding locations and/ or constructing new buildings in the City. Attract and retain a diverse mix of businesses that provide good employment opportunities for Louisville residents.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
Context Data and General Information					
Licensed Businesses ¹	Units				
Workload					
BAP Agreements Negotiated	Units				
Meetings Facilitated	Units				
Retention Visits	Units				
Lease Management (Old City Shops, Koko Plaza)	Items				
Efficiency					
Construction Dollars per BAP Incentive	\$				
Incentives per Job Added	\$				
Annual Sales Tax \$ per \$1.00 BAP Incentive	\$				
Effectiveness					
New Annual Sales Tax Revenue ²	\$				
Change in Louisville Employment ³	#				
Median Household Income ⁴	\$				
Investment in Louisville Commercial Property ⁵	\$				
Vacancy Rates ³	Office				
	Retail				
	Industrial				

Commented [EK1]: This shows the consumer confidence in spending which tends to increase in a healthy economy and fall in an unstable economy. Sales tax revenue is an important revenue source for the City and tracking its importance indicates the effectiveness of doing business in Louisville from a retail perspective.

Commented [EK2]: Employers tend to increase employment in a healthy economy. If Louisville is a good place to do business, then existing employers will expand, new businesses will form, and businesses will relocate to Louisville for the competitive advantage.

Commented [EK3]: This indicator highlights if households living in town are capable of earning an income to stay in the community. If incomes are high enough, the economy is stable and there is less pressure on the ability to afford housing and necessities.

Commented [EK4]: The level of investment landlords and businesses are making in Louisville property indicates economic health. A good economic year we will tend to see additional investment in commercial real property and the opposite in a shaky economy.

Commented [EK5]: Real estate database used for vacancy rates went bankrupt and staff no longer has access to data.

Commented [EK6]: Staff wants the effectiveness measures to be a good indication of the economic health within Louisville. The key metrics that note the area's health, value the outcomes of a healthy economy, and are reasonably easy to calculate. These metrics show that the economic prosperity program is delivering positive outcomes in the community. From a management and citizen perspective, these metrics will also show if the economy is faltering and governmental interventions greater than what we do already should be considered.

¹ Sales & use tax accounts.

² Year-over-year change of total sales tax revenue.

³ Change in Louisville jobs based upon the State of Colorado's Quarterly Census of Employment Wages (QCEW) from previous year.

⁴ U.S. Census figure for the City of Louisville.

⁵ Based upon noted value of commercial building permits.

Public Safety & Justice Program Key Indicators Patrol and Investigation Sub-Program

Goals

Police and other City staff working with the community to help ensure safety, satisfy residents' expectations that individuals observe the City's Municipal Code and State Law, and a justice system that is fair, effective, and efficient.

Objectives

Maintain community safety and a low crime rate through community engagement, effective patrol and efficient response times. Emphasize prevention-oriented police services by engaging community groups in effective partnerships.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
Workload					
Outreach Programs	Programs				
Unduplicated Program Participants	Participants				
Calls for Service/ <u>Officer Initiated Activity</u>	<u>Computer Aided Dispatch</u> Calls				
Watch Total ¹	Hours				
Case Investigation	Hours				
Total Cases Assigned for Follow-up	Cases				
Arrests	Items				
72-Hour Mental Holds	Items				
Addiction Recovery Center Holds	Item				
Reports (Crime, Incident, and Traffic Accident)	Items				
Traffic Citations	Citations				
<u>Alarms Responded to</u>	<u>False Alarms/Total Alarms</u>				
Efficiency					
Ave. Staff Time per Program Participant	Participants/FTE				
Ave. Response Time for Priority 1 Calls	Minutes				
Cases Followed-up per FTE	Units				
Effectiveness					
Cases Cleared	Cases Cleared				
City of Louisville Crime Rate ²	Crime Rate				
¹ 2015 staffing reflects officers working 21 FTEs with 80% of time on patrol. 2016 staffing reflects officers working 25 FTEs (2 vacancies) and 2017 staffing reflects 27 FTEs (full staffing). ² National Incident Based Records Part 1 and Part 2 crimes.					

Recreation Program Key Indicators Aquatics Sub-Program

Goals

Promote the physical, mental and social well-being of residents and visitors through a broad range of high-quality, reasonably priced recreation and leisure activities for people of all ages, interests and ability levels.

Objectives

Provide comprehensive aquatics programming that meets the needs of the community through highly accessible, enjoyable, and varied opportunities for learning and recreation. Offer a safe, responsive and welcoming aquatics environment that promotes the health and well-being of residents and visitors.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
Workload					
Water Aerobics Classes ¹	Classes				
Group Swim Lessons ²	Classes				
Private Lessons ³	Classes				
<u>On Deck</u> Pool Maintenance ⁴	Hours				
Swim Lesson Participation	Attendees				
Contract Pool Rental	Lane Hours Rented				
Open Swim ⁵	Hours				
Efficiency					
Private Lesson Participant Cost	\$/Class				
Swim Lesson Participant Cost	\$/Class				
<u>Community CPR Classes Offered</u>	<u>Classes</u>				
<u>Lifeguard Classes Conducted</u>	<u>Classes</u>				
<u>Lifeguards Hired</u>	<u>New Employees</u>				
<u>Birthday Party Pool Usage</u>	<u>Birthday Parties</u>				
Group Pool Rental	Hours				
Effectiveness					
Water Aerobics Participation	Class Attendance				
Net Revenue of Rec Center Pool	Net Rev				
Net Revenue of Memory Square Pool	Net Rev				
Average Rating of Programs ⁶	1 to 4				
<u>American Red Cross Tier Compared to State</u>	<u>Tier</u>				
<u>American Red Cross Tier Compared to District</u>	<u>Tier</u>				

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
¹ Aerobics classes calculated 15 week @ 50 weeks. 1a. Staff doesn't have accurate numbers to represent actual but will in the future. ² Total number of lessons conducted. ³ Total number of hours private lessons conducted. * Based on no splash pool for lessons. ⁴ Maintenance hours calculated by .25 hour of maintenance completed by part-time staff during operational hours and scheduled shifts ⁵ Hours calculated when the pools were designated as open swim. ⁶ Based on evaluation survey submitted at conclusion of each program with rating on a scale of 1=Excellent, 2=Good, 3=Fair, 4=Poor. ⁷ The American Red Cross has a tier ranking and the Louisville Recreation Center is in the top 7 for the state and 13 for the district for teaching over 1,000 students.					

Recreation Program Key Indicators Senior Activities and Services Sub-Program

Goals

Promote the physical, mental and social well-being of residents and visitors through a broad range of high-quality, reasonably priced recreation and leisure activities for people of all ages, interests and ability levels.

Objectives

Encourage physical activity, intellectual stimulation, and social well-being through programs and services for persons 60 and older.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
Context Data and General Information					
Senior Population ¹	Residents Greater than 59				
Workload					
Special Events	<u>Participants</u>				
Fitness/ Health and Wellness Events	<u>Participants</u>				
Fitness and Sports Events	Items				
Trips	Events				
Daily Lunch Program	Days Open				
Classes and Workshops	<u>Participants</u>				
Volunteer Opportunities	Hours				
Drop in Programs	<u>Participants</u>				
Resources – Information & Referrals	Contacts				
Resources – Community Outreach ²	Participants				
Resources – Support Groups	Participants				
Resources – Loan Closet	Check-Outs				
Efficiency					
Average Cost per Participant Lunch	\$/Participant				
Average Cost per Participant ³	\$/Participant				
Effectiveness					
Average Overall Rating of Programs ⁴	Rating on scale of 1 to 4				
Average Participants per Day Trip	<u>Participants</u>				
Average Participants Lunch Bunch	<u>Participants</u>				
Average Participants Dinner Group	<u>Participants</u>				
Total Meals Served <u>Average Lunch Count</u>	<u>Meals Served</u>				
<u>Volunteers</u> ⁵	<u>Rate of Volunteers/Hour</u>				
<u>Silver Sneakers Retention Rate</u> ⁶	<u>% Retention</u>				

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
¹ Based on 2013 demo from Age Well BOCO Plan and added 150/year. Compared to 2012 CASOA figure to 2013 went up 150. ² Includes Support Groups and Loan Closet check outs. ³ Amount of expenses for number of meals ordered; budgeted amount/estimated number of meals ordered. ⁴ Based on evaluation survey submitted at conclusion of each program with rating on a scale of 1=Excellent, 2=Good, 3=Fair, 4=Poor. ⁵ Based on the rate \$10.50 per hour from the formula Boulder County released for volunteers in 2017. ⁶ Silver Sneakers Colorado Retention Rate is 50% in 2017.					

Recreation Program Key Indicators Youth Activities Sub-Program

Goals

Promote the physical, mental and social well-being of residents and visitors through a broad range of high-quality, reasonably priced recreation and leisure activities for people of all ages, interests and ability levels.

Objectives

Provide programs which stimulate physical, social, and cognitive skills for the youth of Louisville. Encourage community responsibility through volunteer service that supports the well-being of the community. Provide an individualized learning environment in which each child may grow and learn at their own pace.

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
Context Data and General Information					
Youth Population ¹	Youth 0-17				
Workload					
Summer Day Camp Attendees	Participants				
Preschool Program Attendees	Participants				
<u>General Youth Attendees</u>	<u>Participants</u>				
Teen Program Attendees	Participants				
Youth Sports Attendees ²	Participants				
<u>Youth Sports Volunteer Hours</u>	<u>Hours</u>				
Nite at the Rec Attendees	Participants				
Catalog	#				
Efficiency					
\$ per <u>Summer Day</u> Camp Participant	Expense/Participant				
\$ per Preschool Participant	Expense/Participant				
<u>\$ per General Youth Program Participant</u>	<u>Expense/Participant</u>				
\$ per Teen Program Participant	Expense/Participant				
\$ per Youth Sports Participant	Expense/Participant				
\$ per Nite at the Rec Participant	Expense/Participant				
Effectiveness					
Average Overall Rating of Programs⁴	Rating on Scale of 1 to 4				
<u>Average Overall Rating of General Youth Programs</u>	<u>Rating on Scale of 1 to 4</u>				
<u>Average Overall Rating of Preschool</u>	<u>Rating on Scale of 1 to 4</u>				
<u>Average Overall Rating of Summer Day Camp</u>	<u>Rating on Scale of 1 to 4</u>				
<u>Average Overall Rating of Youth Sports Programs</u>	<u>Rating on Scale of 1 to 4</u>				
Total Youth Activities Participants	Participants				

INDICATOR	UNIT	2017 ACTUAL	2018 ESTIMATED	2019 PROJECTED	2020 PROJECTED
¹ Based on the most recent Census Data with Youth defined as ages 17 and younger. ² Total participants each season. Not unique individuals because many participate in more than one sport or session. ³ 2016 Citizen Survey results. ⁴ Based on evaluation survey submitted at conclusion of each program with rating on a scale of 1=Excellent, 2=Good, 3=Fair, 4=Poor.					

SUBJECT: DISCUSSION ON RECREATION CENTER – SALES & USE TAX

DATE: APRIL 16, 2018

PRESENTED BY: KEVIN WATSON, FINANCE DIRECTOR

SUMMARY:

On November 8, 2016, voters approved 0.15% sales and use tax, effective January 1, 2018, to help fund operations at the Recreation Center and Memory Square Pool. Specifically, the ballot title for Issue 2B stated:

“Shall the City of Louisville taxes be increased \$575,000 in 2018 and then annually by whatever additional amounts are raised thereafter from the levy of an additional sales and use tax of 0.15 percent beginning January 1, 2018 and continuing thereafter ... with the net proceeds of such sales and use tax to be collected, retained and spent for operating and maintaining the Louisville Recreation/Senior Center and pool facilities at Memory Square Park ...”

The current 2018 revenue estimates for the 0.15% sales tax is \$650,000 and use tax is \$240,000. The total estimated revenue of \$890,000 significantly exceeds the \$575,000 estimate within the ballot title, which may require a reimbursement or an additional vote to retain the excess revenue under TABOR. This is only an issue for 2018. For subsequent years, all sales and use tax revenue can be retained and applied to its intended purposes.

The 0.15% sales and use tax revenue is currently being accounted for in the General Fund. It is separated from the general 2% sales tax by Program and is restricted to the purposes outlined in the ballot title.

A summary of the current (2018 Budget/Estimate) revenue and expenditures for the Recreation/Senior Center and Memory Square Pool is shown in the following table.

	2018 Bdgt/Est
Sales & Use Tax Revenue	\$ 890,770
Charges for Services, Fees, Operational Grants	1,674,910
General Fund Support	776,220
Total Revenue	<u>\$ 3,341,900</u>
Recreation/Senior Center & Memory Square Costs	<u>\$ 3,341,900</u>

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CITY OF LOUISVILLE, COLORADO

Recreation / Senior Center Expansion Feasibility Study Operational Analysis

Final Report

JULY 12, 2016



Contents

I. Introduction.....	4
A. Study Purpose	4
B. Current Amenities.....	4
II. Community Engagement	5
B. Random Statistical Survey	6
III. Needs Assessment	6
A. Demographic Profile and Trends	6
Demographic Analysis	6
Population Projections	6
Population Age Distribution	7
B. Relevant Trends	7
Demographic Trends Influencing Recreation Programming.....	7
Youth	8
Programming.....	8
III. Market Conditions Analysis	9
Target Market and Current Use	9
Market Conditions.....	9
Comparisons with Similar Facilities in Other Communities	10
New Facility Development Activity	12
Advertising	12
IV. Financial Analysis.....	12
A. Facility Concepts	12
B. Assumptions.....	12
Hours of Operation.....	13
Personnel Services.....	13
Maintenance Coverage	14
Supplies	14
Services.....	14
Capital Renovation Allocation	14
Admissions Revenue	15
Proposed Fees	15
Fitness	16
Aquatics.....	17
Cost Recovery.....	17
Rentals.....	17
Birthday Parties	19
Vending	19
Advertisement and Sponsorship Revenue	19
C. Operational Budget and Pro-forma	20
Admissions (see Admissions page).....	20
Aquatics (see Aquatics – programming and Aquatics – Lifeguards pages).....	20
Fitness (see Fitness page).....	20
Programs	20
Rentals (including birthday party packages)	20
Budget Overview	21
D. Projected Five Year Pro-forma	22
E. Financial Analysis and Potential Funding Sources	22

Grants	22
Partnerships	22
Sponsorships	23
Donor/Gifting/Volunteer Programs	23

I. INTRODUCTION

A. Study Purpose

The City of Louisville has undertaken a study to consider and examine the feasibility of expanding the existing Recreation/ Senior Center built in 1990. The current facility has accommodated growth fairly well, however spaces have become over utilized for some particular activities, such as fitness programming, and further demand has grown for other activities, such as aquatics. As such, the purpose of this study is to:

- Collect and analyze demographic data as it relates to the demand for expanded recreation facilities.
- Complete an analysis of local and area market conditions impacting both public and private recreation and leisure facilities.
- Collect, update, and analyze data relating to citizen and community needs and preferences.
- Assess what amenities and programming would be most logical to provide in expanded recreation facilities.
- Outline additional operations associated with facility expansion.
- Develop a preliminary report outlining available opportunities for alternative funding including community resources, ballot issues, grants and gifts, and public/private partnerships.

This integrates with the department's Mission:

The City of Louisville Division of Recreation and Senior Services oversees the programs and operations of the Recreation & Senior Center. The Mission is to provide recreational activities and leisure services that contribute to the physical, mental, and social well-being of the citizens.

B. Current Amenities

The current facility is 57,400 square feet and includes the following amenities within the building:

- 6 lane, 25 meter pool with diving well
- 160 foot water slide with adventure splash down pool
- Solarium and sun deck
- Sauna
- Hot tub
- Steam room
- Two free-weight rooms
- Gymnasium
- Racquetball and Walleyball courts
- Senior Center
- Indoor track (1/10 mile)
- Locker rooms
- Kid's Corner babysitting
- Fitness studio
- Multi-purpose rooms

The initial phase of this study began in late 2015 with a kick off meeting in November including staff and members of the Task Force. Engaging the public included two open houses; a summary of those open houses follows.

II. COMMUNITY ENGAGEMENT

The first open house was held on December 2, 2015 at the Louisville Recreation & Senior Center with a focus on aquatic needs/programming. Approximately 65 people attended. The second open house was held on December 9, 2015 and was attended by approximately 128 people. General results from the community input included:

Outdoor Aquatic Facilities

- General updates and renovation
- Outdoor pool
 - ◆ Olympic size
 - ◆ Heated water
 - ◆ More lap lanes
 - ◆ Extended hours
 - ◆ Diving boards and slides
- Family area with shaded areas
- Kiddie Pool with area for lessons
- Hot tub
- Outdoor workout space

Additional Gymnasium / Indoor Space

- Separate room for stationary bikes / spin classes
- Work out area on first floor
- Better sound mitigation
- Indoor track for competitive use
- Designated stretching area
- Indoor archery
- More tennis, racquetball and pickleball courts

Additional Weight Room & Cardio Fitness Space

- More classroom spaces
 - ◆ Separate room for stationary bikes / spinning (most requested)
 - ◆ Aerobics / Dance / Zumba
 - ◆ Yoga / Tai Chi / Barre (quiet and w/ dimmable lights)
- Weight room
 - ◆ More space
 - ◆ More free weights and hand weights
 - ◆ Need space for a second weight rack
 - ◆ More squat racks
- Cardio / Fitness
 - ◆ More functional space
 - ◆ More equipment/machines for peak hours, especially treadmills
 - ◆ Add step master, rowing machines, punching bags

Senior Center Additions and Improvements

- Keep senior center at rec center
- Separate locker rooms and bathrooms for seniors only
- Larger lounge / gathering space
- More “Seniors Only” spaces to accommodate:
 - ◆ Tai Chi, yoga, Zumba
 - ◆ Drop-in practice
 - ◆ Silver Sneakers
 - ◆ Need at least 2 more rooms for year-round use
- Enlarge and update kitchen / cafeteria
- Larger library with more computers
- More space for pool tables, snooker tables and bridge
- Upgrade furniture, finishes
- More senior day trips

B. Random Statistical Survey

RCC conducted a survey of Louisville residents. The results of this survey are in a separate document and were used to inform the assumptions in this analysis.

III. NEEDS ASSESSMENT

A. Demographic Profile and Trends

Demographic Analysis

Understanding community demographics and needs is an important component of master planning for Louisville Recreation & Senior Center expansion. Summary demographics for Louisville are shown in **Table 1**. The population data used in this demographic profile comes from Esri Business Information Solutions, based on the 2000 and 2010 U.S. Census data.

Table 1: Summary Demographics for Louisville – 2015

Summary Demographics	
Population	19,662
Number of Households	8,156
Avg. Household Size	2.4
Median Age	42
Median Household Income	\$88,418

The gender distribution in 2015 is 49% male to 51% female. The median age estimated for Louisville by Esri in 2015 was 42. When broken down by race/ethnicity by the U.S. Census in 2010, the median age for the Asian population was 36.9, Caucasian population—41.9, African American population—32.8, and Hispanic population—28.9.

Population Projections

Although future population growth cannot be predicted with certainty, it is helpful to make growth projections for planning purposes. **Table 2** contains actual population figures based on the 2000 and

2010 U.S. Census for Louisville, as well as a population estimate for 2015 and projection for 2020. The city's annual growth rate from 2000 through 2010 was -0.44%. Esri's projected growth rate for 2015 through 2020 is 1.23% for Louisville, compared to the projected 2015 – 2020 annual growth rate for the state of Colorado at 1.29%. As a land locked community, growth will not be experienced through annexation and subdivision expansion, but rather infill, which is limited.

Table 2: Louisville Population Projections and Growth, 2000—2020

US Census (2000 and 2010) and Esri Projections	
2000 Population	19,203
2010 Population	18,376
2015 Estimated	19,662
2020 Projected	20,901

Source: 2010 U.S. Census; 2015 estimates and 2020 forecast provided by Esri Business Information Solutions.

Population Age Distribution

The age demographics have undergone a number of changes in Louisville from 2010 to 2015 with these trends predicted to continue through 2020. The percentage of Louisville residents in the 65-74 age cohort is expected to increase from 2010 to 2020 by 5.9%, making up 11% of the total population. The only other age cohorts expected to increase in population by 2020 is the 25-34 group (by 0.7% from 2010) and the 75-84 age group (by 0.6% from 2010). All other age cohorts are expected to decrease in numbers, the most significant change occurring in the 45-54 age range, who made up 19.7% of the population in 2010, down 4.5% in 2020. Although age shifts are projected to be slight, the facility design upon which these operations and maintenance figures are based, is considered to be flexible in regard to demographic shifts and resultant changing needs in the future.

B. Relevant Trends

Demographic Trends Influencing Recreation Programming

a. Boomer Basics

Baby boomers are defined as individuals born between 1946 and 1964, as stated in "Leisure Programming for Baby Boomers."¹ They are a generation that consists of nearly 76 million Americans. As baby boomers enter retirement, they will be looking for opportunities in fitness, sports, outdoors, arts and cultural events, and other activities that suit their lifestyles. Emilyn Sheffield, Professor of Recreation and Parks Management at the California State University, at Chico, in the NPRA July 2012 *Parks and Recreation* magazine article titled "Five Trends Shaping Tomorrow Today," indicated that Baby Boomers are driving the aging of America, with boomers and seniors over 65 composing about 39% of the nation's population².

b. The Millennial Generation

Over 80 million people between the ages of 15 and 35 now belong to the Millennial Generation, the largest of any generation group.³ This group is highly diverse, with 42% of American Millennials

¹ Linda Cochran, Anne Roshchadl, and Jodi Rudick, "Leisure Programming For Baby Boomers," *Human Kinetics*, 2009.

² Emilyn Sheffield, "Five Trends Shaping Tomorrow Today," *Parks and Recreation*, July 2012, p. 16-17.

³ The Colorado College State of the Rockies Project. MILLENNIALS IN THE WEST. A Survey of the Attitudes of Voters in Six Western States, 2015.

identifying as a race or ethnicity other than “non-Hispanic white,” as opposed to the 28% of Baby Boomers that identify as Non-Caucasian⁴.

Growing up between the late 1980s and 1990s, Millennials were surrounded by rapidly changing technology. Eighty-one percent of Millennials now participate on social networking sites, utilizing these sites to meet new friends, find communities of similar-minded people, and support the causes that they believe in.⁵

Community is essential to Millennials; urban hubs are sought out for their ample place-making activities, public spaces, festivals, public art, education opportunities, and transportation options. Connectivity is extremely important to Millennials, who are using alternative modes of transportation more than any other generation. By utilizing trails to connect key places, recreation departments can help make Millennials feel more connected to their city.

Youth

Emily Sheffield, author of the article, “Five Trends Shaping Tomorrow Today,” identified that one of the five trends shaping the future is the proportion of youth is smaller than in the past, however just as important. As of the 2010 Census, the age group under age 18 forms about a quarter of the U.S. population.

Programming

One of the most common concerns in the recreation industry is creating innovative programming to draw participants into facilities and services. Once in, participants recognize that the benefits are endless. According to *Recreation Management’s* 2015 State of the Industry Report,⁶ the most common programs offered by parks and recreation survey respondents include:

- Holiday events and other special events (79.6%)
- Youth sports teams (68.9%)
- Day camps and summer camps (64.2%)
- Educational programs (63.8%)
- Adult sports teams (63.4%)
- Arts and crafts (61.6%)
- Programs for active older adults (56.2%)
- Fitness programs (55%)
- Sports tournaments and races (55%)
- Sport training such as golf or tennis instruction (53.8%)

Another yearly survey by the American College of Sports Medicine indicates the top 20 fitness trends.⁷ The survey ranks senior fitness programs eighth among most popular fitness trends for 2015. Whether

⁴ Samantha Raphelson, “Amid the Stereotypes, Some Facts About Millennials,” National Public Radio, <http://www.npr.org/2014/11/18/354196302/amid-the-stereotypes-some-facts-about-millennials>

⁵ The Council of Economic Advisers. 15 ECONOMIC FACTS ABOUT MILLENNIALS. Executive Office of the President of the United States. 2014.

⁶ Emily Tipping, “2015 State of the Industry Report, Trends in Parks and Recreation,” *Recreation Management*, June 2015.

⁷ “Survey Predicts Top 20 Fitness Trends for 2015”, American College of Sports Medicine, <http://www.acsm.org/about-acsm/media-room/news-releases/2014/10/24/survey-predicts-top-20-fitness-trends-for-2015>, accessed January 2015.

it's SilverSneakers, a freestyle low-impact cardio class, or water aerobics, more and more people are realizing the many benefits of staying active throughout life. According to the National Sporting Goods Association, popular senior programming trends also include hiking, birding, and swimming.

III. MARKET CONDITIONS ANALYSIS

Target Market and Current Use

The City of Louisville's target market for this facility renovation/expansion is residents of Louisville and employees of businesses located in Louisville.

Admissions

Total visits of paying users to the existing facility through admission fees in 2015 was 286,966.

- 195,420 visits using annual and monthly passes, with 91% being residents of the city and 9% non-residents.
- 71,691 visits using punch cards, resident use is a smaller percentage at 76% for *20 punch cards* and 62% for *10 punch cards*.
- 19,855 were daily admissions. Daily admission was the same for Resident and Non-Residents from 2006-2015. In January of 2016 Non-Resident daily admission fees were increased to match the increase of fees for Non-Resident punchcards.

Programs

Participation in programs (requires pre-registration in most cases) city-wide is 83% residents with 17% non-resident. Over 25,000 adults and youth enroll in these programs year round. Louisville currently offers a broad spectrum of programs for various ages and interests:

- Special events
- Aquatics – multiple lesson levels including adult
- Water aerobics
- Diverse senior programs
- Diverse youth programs
- Youth athletics
- Adult athletics
- Group fitness classes
- Specialized fitness classes
- Summer camp

In forecasting program revenue potential, these current programs and participation, along with the potential to grow with additional dedicated space, are considered.

Market Conditions

Other general market conditions supporting development of additional public facilities include:

- Trends toward more active adult and multigenerational use; programs for that use are available more likely at public facilities.
- General sales tax revenues will continue providing funds to construct and operate facilities that respond to growth pressure.

- Gender, age, and income demographics in the region support the need for more and varying facilities. Consumer demand is for “state of the art” facilities.

Comparisons with Similar Facilities in Other Communities

The project study included comparing similar facilities in the northwest Metropolitan Denver area, Boulder and northern Colorado. The purpose of this comparative analysis is to give the City a better understanding of the types of community centers that exist in the region and how they operate.

In order to get a complete picture of the options for potential components, there must be an understanding of what the regional market will bear for fees and charges, the amount of funding it takes to operate and maintain similar facilities, and the costs to staff a facility. For this comparison, other park and recreation agencies were contacted in the fall of 2015 to provide specific full year information for recreation centers that would be similar to an expanded Louisville facility; Louisville staff and comparison agencies provided and primarily utilized 2014 data. Included in **Table 3** are Broomfield, Lafayette, Erie, Golden, Longmont for comparison. In looking at even higher admission rates, Aspen’s daily admissions are likely to be the highest in the state at \$18.25 for adults and \$16.25 for youth. GreenPlay is not aware of any agencies using daily admissions to cover 100% of expenses, including debt service. In considering the Financial Policy of Louisville, such an exercise would entail spreading the expense over every individual that enters the facility for any use (admission or program) and to a lesser degree youth and seniors. This would likely produce an admission rate that exceeds the daily admission shared for Aspen.

The comparison data listed is for the purpose of providing an overview of budget and operational performance of similar (and un-similar) facilities in the general area. This data is not intended to suggest a particular approach, but rather to give an indication of how diverse facilities are in their performance. **Table 3** indicates the difficulty in attempting to compare Louisville with other agencies, many of which have different operating philosophies, expectations, building components, and budget methods. Utilities may be handled in different ways, such as not showing an expense for water, and as indicated with Longmont and Louisville, other intra-departmental support services may not be reported as well.

The community recreation centers that were studied for this analysis range in size from 48,000 square feet to 85,000 square feet. Common amenities in these centers include leisure pools, multi-purpose rooms, gymnasiums, group fitness areas, weight/cardio rooms, walk/jog tracks, climbing facilities, and childcare rooms. A few less common and unique amenities include competitive swim pool, dedicated senior areas, and racquetball.

It should be noted that both revenues and expenses are driven by a wide range of programs, building design, and general philosophy of budgeting. For example, in some cases subsidy support from other departments is not included. Each facility was studied in regards to revenue gained from daily admissions, passes, and programming. Revenues are generally a more reliable comparable than expenditures. Each facility was studied in regards to expenses for operating the facility (including staffing, utilities, and operations, where reported).

An analysis of the ratio of revenue to expenses illustrates that the reported subsidy of these facilities varies greatly. Care should be taken with using this information without a thorough understanding of the discrepancies in the comparability.

Table 3: 2014 Annual Self-Reported Data from Comparable Facilities

ITEM	Louisville	Broomfield/Derda	Lafayette	Erie	Golden	Longmont
Notes of significance		One of two centers				
Population of Community	19,662	55,889	24,453	18,135	18,867	86,270
Size (Sq Ft)	57,400	85,000	48,372	64,000	71,483	63,500
Original Construction Date	1990	2003	1990	2007	1994	2002
Estimated Annual Attendance	268,603	456,122	179,579	193,500	225,752	459,434
REVENUES						
Total facility revenues	\$ 1,855,931	\$2,072,618	\$1,826,000	\$1,935,126	\$1,734,078	\$1,792,667
Rev/sqft	\$32.42	\$24.38	\$37.75	\$30.24	\$24.26	\$28.23
Revenue Sources from admissions	\$902,507	\$2,330,647			\$494,878	
Drop In/Daily Fees	\$84,456	\$343,566			\$251,090	\$407,471
Passes and Punch Cards	\$818,051	\$1,987,081			\$243,788	\$1,194,807
EXPENDITURES						
Total facility expenditures	\$2,419,686	\$2,152,921	\$2,267,000	\$2,849,044	\$2,196,301	\$1,228,588
Exp/sqft	\$31.29	\$25.33	\$46.87	\$44.52	\$30.72	\$19.35
Staff Costs	\$1,204,560	\$1,195,000	\$1,299,385	\$2,057,892	\$2,035,000	\$948,735
FT Staff Cost w benefits	\$710,825	\$368,000	\$391,000	\$1,037,634	\$560,000	\$295,620
PT Staff Cost w benefits	\$493,735	\$827,000	\$908,385	\$1,020,258	\$1,475,000	\$653,115
Total Annual Utility Expenses	\$134,669	\$339,482	\$178,409	\$257,834	\$486,370	\$169,911
Gas	\$40,271	\$87,369		\$48,355	\$196,440	
Electric	\$91,598	\$213,080		\$171,767	\$200,349	
Water		\$35,433		\$13,746	\$21,000	
Sewer		WS combo		bill w/ water	W/WW combined	
Phone and Internet	\$2,800	\$3,600	\$6,000	\$23,966	\$68,580	
Capital (not included in expense)				\$87,210	\$25,000	

**All expenses are not reported for each agency. For example: Longmont expenses do not include custodial and maintenance expenses. These functions are performed by separate city departments and not charged to Parks/Recreation budget. Those expenses were not provided.*

New Facility Development Activity

In the process of collecting comparative data, the project team also identified new facility development activity going on in the region. The Town of Windsor recently broke ground on a major expansion of its existing center; planned completion is scheduled for September 2016. New recreation and aquatics facilities are also being considered by the cities of Commerce City, Lafayette, Longmont, Loveland and Thornton, as well as the Carbon Valley Recreation District, if funding can be secured. In all cases, the agencies involved are expecting new recreation facilities to contribute to the growth and livability of their communities.

Advertising

The Recreation and Senior Services catalog is published three times per year and features all classes. The Recreation & Senior Services division engages social media, specifically Facebook. The Louisville website provides information and direct links for on line registration.

IV. FINANCIAL ANALYSIS

A. Facility Concepts

All pro-forma assumptions were created utilizing projected square foot allotments provided by Sink Combs Dethlefs, as a building program has, and continues to evolve. At this time, approximately 50,000 square feet are anticipated being added to the 57,400 square feet of the existing building for a total of approximately 107,400 square feet.

B. Assumptions

The operational budget planning for the expansion of the Louisville Recreation/Senior Center uses a conservative approach to estimating expenses and projecting additional revenues, based on an understanding of the conceptual project, the best available market area information, and integrating with current practices. Existing revenues and expenditures are considered along with the projected operations of expanded fitness and aquatics.

While an initial budget provides a baseline, it is anticipated that revenues during the first few years of operation with an expanded facility may exceed these projections for several reasons.

- Leading up to and during the first year of operation, marketing and promotion efforts and costs will be elevated to attract an expanded population.
- Particularly in years one and two, the facility interest and therefore attendance/participation will likely be higher than in subsequent years when the “newness” of the expanded spaces declines.

All figures are estimated 2016 dollars and estimate probable costs and revenues. There is no guarantee that the estimates and projections will be met, and there are many variables that cannot be accurately determined during this conceptual planning stage, or may be subject to change during the actual design and implementation process.

Hours of Operation

The following indicates current hours of operation; these are assumed to remain the same. This schedule can be revised to accommodate various demands. However, it is important to note that facility revenues and expenditures are based on these hours shown in Table 4 below. Staffing at the pool is based on pool operating hours on Sundays.

Table 4: Center Hours of Operations

Days of Week	Times	Hours per week
Monday – Thursday	5:45am to 9:00pm	61
Friday	5:45am to 7:00pm	13.25
Saturday	7:00am to 6:00pm	11
Sunday	8:00am to 6:00pm	10
Sunday Pool	10:00am to 5:45pm	
Total Hours/Week		95.25

It is assumed that the facility will operate 351 days per year, with the facility being closed for seven holidays during the year including New Year's Day, Easter, Memorial Day, Fourth of July, Labor Day, Thanksgiving, and Christmas Day. An annual shutdown period for maintenance is also expected that typically ranges from 7-10 days.

Rentals of party/activity rooms, swimming pool, classrooms, and the entire facility may extend beyond normal hours of operation and typically include weekends and some evenings. Though specific increased rental rates are not provided for after hours, this could be reflected in the pricing structure.

Personnel Services

Generally, personnel costs make up the single highest expense for most multi-purpose recreation facilities. For purposes of projecting costs, the range mid-point of the 2016 Pay Plan was utilized for projecting expenses in each area.

Additional salaried staff contemplated at this time includes:

- 1.00 Supervisor I Fitness Coordinator
- 1.00 Supervisor I Senior Coordinator
- 1.00 Facility Maintenance Tech I
- 1.00 Pool Maintenance Tech I
- 0.25 Facility Assistant (add.25 to existing .75 staff)
- 0.25 Accounting Tech I

Additional part-time/contractual staff is proposed in the following areas of operation:

- Maintenance/Custodians
- Fitness/Program Instructors
- Life Guards/Swim Instructors

Maintenance Coverage

Routine and daily set up maintenance responsibilities will be provided by maintenance and facility staff as needed. Current staff scheduling is expected to continue but to be supplemented with additional full-time staff and part-time hours.

Supplies

In this study, supplies relate to ongoing operations in the areas of program, operating, office, computer supplies, postage, tools, books, staff uniforms, janitorial, tools, equipment parts, identification card supplies, resale merchandise, concession supplies, and miscellaneous items. It is anticipated that this figure will increase over time due to inflation. Note: All start up supply expenses associated with the facility expansion start up are assumed to be funded from the Owner Items account or FFE in the construction budget. Supplies expenses typically approximate 10% of the overall operational budget.

Services

With the uncertainty of utility costs such as natural gas and electricity prices, service expenses can consume a significant portion of many operation budgets. The estimated utility costs for the volume of space within the facility accounts for a high percentage of the services budget; numbers can be verified with final design. For this analysis utilities are estimated to be \$3.25 per square foot, per year for non-aquatic space and \$5.25 per square foot for aquatic spaces.

Other typical services include contracted instructional services, marketing and advertising, printing and publishing, travel and training, subscriptions and memberships, telephone, bank charges and administrative fees, miscellaneous service charges (permits, licenses, taxes, fees), building and equipment maintenance (contractual or rental services), other contracted services (security and fire systems, elevator, trash pick-up, etc.), property and liability insurance, building maintenance, and repair. Overall services expenses typically approximate 30% of the overall operational budget.

Expenditure estimates are based on the type and size of the activity and support spaces planned for expansion in the facility and anticipated hours of operation. When possible and wherever available, calculations are based on actual best practice or methodology. Comparison data from similar facilities in the region was also analyzed to prepare estimates.

Capital Renovation Allocation

A limited capital renovation allocation of 5% for building improvements, machinery, and equipment has been included in order to keep the facility up-to-date and to provide state-of-the-art equipment. It is not anticipated that this allocation will be needed for the expansion in the first several years of operation, but that the allocation will accumulate over time and be carried forward for future use.

- Building and Improvements should be budgeted at 3% of operating budget.
- Machinery and Equipment should be budgeted at 2% of operating budget.

A request was made at the Task Force Meeting of April 27th to consider as an option, calculating Capital Renovation based on the capital cost of construction and life cycle costing. This cannot be done at this time, but can be considered.

Admissions Revenue

Revenue forecasts include current estimates of anticipated drop-in fees, punch card and pass sales, and rentals, around anticipated scheduled programming related to fitness and aquatics. This takes into consideration program and facility components as well as multiple admissions and age discounts options. The revenue categories for the expansion include:

- Daily admissions, punch cards, and passes
- Aquatics lessons and programs
- Fitness/wellness/aerobic programs
- Rental opportunities

Revenue forecasts are based on existing and proposed space components included in the facility, anticipated demographics of the local service area, and comparisons to other facilities in surrounding communities that may or may not be similar. Actual figures will vary based on the final design and allocation of facility spaces, the market at the time of opening, adopted facility operating philosophy, the aggressiveness of fees and use policies implemented, and the type of marketing effort undertaken to attract potential users to the facility. **Initial revenue goals may be exceeded but will require an ongoing effective marketing approach in order to meet annual goals. Some leveling off is common.**

Proposed Fees

The proposed fee structure, as suggested below reflects preliminary figures that correspond to the operational budget and cost recovery goals for the center.

In this pro-forma daily, punch card (10 and 20 punch), and monthly fees include admission to the facility for cardio/fitness, stretching and weight use, and lap or open swim in the lap and leisure pool.

Table 5 below lists current fees compared to fees to be considered. If the below fees were to be implemented at current admission quantity, a 16% increase in current revenue could be realized; this is in addition to additional admission revenue.

Table 5: Current Fee Schedule and New Fee for Consideration

Pass Type	Current Resident	Current Non-resident	New Fee Consideration Resident	New Fee Consideration Non-resident
DAILY				
Youth	\$4.00	\$6.00	\$4.50	\$6.75
Adult	\$6.00	\$8.00	\$6.50	\$8.75
Senior	\$4.00	\$6.00	\$4.50	\$6.75
Group (youth)	\$2.50	\$5.00	\$4.00	\$6.00
Group (adult)	\$4.50	\$7.00	\$6.00	\$8.00
10 PUNCH				
Youth	\$25	\$50	\$28	\$56
Adult	\$45	\$70	\$48	\$80
Senior	\$25	\$50	\$28	\$56
20 PUNCH				
Youth	\$50	\$100	\$53	\$106
Adult	\$90	\$140	\$93	\$150
Senior	\$50	\$100	\$53	\$106
MONTHLY				
Youth	\$19	\$24	\$22	\$33
Adult	\$35	\$40	\$38	\$50
Senior	\$19	\$24	\$22	\$33
Couple	\$55	\$60	\$58	\$70
Senior Couple	n/a	n/a	\$40	\$60
Family	\$59	\$64	\$65	\$75
ANNUAL				
Youth	\$228	\$288	\$264	\$396
Adult	\$420	\$480	\$456	\$600
Senior	\$228	\$288	\$264	\$396
Couple	\$648	\$720	\$696	\$840
Family	\$708	\$768	\$780	\$900

Fitness

Within the fitness area, the square feet dedicated to fitness programming will double. Fitness programming will be provided on an ongoing basis, similar to current programs, but with more dedicated as well as multi-use space. This estimate is based on review of revenue at comparable size facilities in the area and current revenue generated.

Currently FitZone classes are included with general facility admission and include a paid instructor (vs lap swimming, which does not require an instructor). A budget transfer is made to cover costs, but does not give the ability to track net revenue. This was approximately \$75,000 in 2015, with an additional \$29,221 generated in specialty classes. Additional FitZone classes and specialized (contractual) classes are estimated at 53% net revenue increase. When classes are not in use for groups, it will be important to keep fitness rooms occupied and thus generating revenue. One option is to consider a drop in

independent use of classroom space, such as Fitness on Demand. This is shown as an option with conservative use.

Aquatics

With an expanded aquatics and fitness venue, the Louisville Recreation/Senior Center will have the ability to offer additional aquatics programming (i.e. swim lessons, aquatic exercise) on a year-round basis. This estimate is based on review of revenue at comparable size facilities in the area and current revenue generated.

Conservative estimates were used for additional programming in terms of numbers of participants. Additional classes should be concentrated in areas (level and time of year) where classes do tend to fill more quickly and are estimated for 21 weeks. An estimated net revenue increase is shown, primarily in the group Learn to Swim classes and the potential “specialty” classes generated by the type of water bodies being added to the program. These include such things as Watsu Massage, Toning, Water Arthritis, and Core Strengthening for Seniors. Water equipment, such as treadmills and bikes are also an option for additional program/drop in revenue. Another consideration is moving all lessons indoors such that cancellations due to weather are eliminated. Memory Square Pool could then offer additional lap swimming time and open play.

Lifeguard costs are shown as an addition to current operations. It is assumed that with the new natatorium the leisure pool / slide will be open from 12 noon on weekdays and Saturdays, allowing for lessons and classes to occur throughout the pools in the mornings.

Cost Recovery

The 2015 cost recovery for the Louisville Recreation & Senior Center was 72%, including the funding in the Public Works budget supporting center operations and an estimate capital costs provided by staff. Cost recovery on the expansion alone is projected at 47%, with overall cost recovery for the expanded facility (current operations and expansion) at 60%, including repair and replacement (R&R) estimates. This is a conservative estimate and has served as the basis for facility pricing. A continual goal should be to sustain cost recovery through a focused staff effort, resulting in high quality facility management, customer service, and marketing.

To reach an expressed target of 70% cost recovery, revenues must be increased or expenses reduced. IF revenues were to be increased through admission fees, an additional 10.5% increase to each proposed fee to generate an additional \$141,367 would be required. This could be accomplished by adding 10.5% to each proposed fee, or through larger increases to non-resident fees and adult fees or some other combination, taking into account estimated passes sold in each type. Success with higher fee increases is subject to what the market will bear. Seventy percent cost recovery could also be accomplished through an increase in all fees (not just admissions), or a decrease in staffing projections, or a combination.

Cost Recovery is further discussed under the Financial Analysis.

Rentals

Market analysis for room rental/social event venue indicates an opportunity to generate additional revenue in this area. These proposed fees do not take into account peak and non-peak times, but should

certainly be considered, especially for after-hours rentals. If the below fees were to be implemented at current reservation quantity, a 26% increase in current revenue could be realized. A recommended rental rate fee increase is noted below in Table 6.

Table 6: Recommended Room Rental Rates

Venue	Current Resident	Current Non-resident	Recommended Resident	Recommended Non-resident
Large room (50-75 Banquet)	\$35.00	\$45.00	\$45.00	\$55.00
Small room (25-30 classroom)	\$25.00	\$35.00	\$30.00	\$40.00
Combined (150-200 banquet)	\$70.00	\$90.00	\$80.00	\$100.00
Kitchen	\$15.00	\$20.00	\$50.00	\$60.00

Birthday Parties

Market analysis for the birthday party venue indicates an opportunity to generate additional revenue in this area by providing a host. This suggested pricing includes room setup/cleanup and a host in the room. It does not include provision of cake, party supplies or supervision outside of the party room, and given parental concern with nutrition and allergy related food substances, this may be an area worth avoiding. If the below fees were to be implemented at current reservation quantity, a 31% increase in current revenue could be realized. A recommended rental rate fee increase is noted below in **Table 7** below.

Table 7: Recommended Party Package and Room Rental Rates

Venue	Current Resident	Current Non-resident	Recommended Resident	Recommended Non-resident
Group (up to 10 children; add on pricing for additional)	\$60.00	\$80.00	\$80.00	\$100.00

Vending

Vending operations are expected to continue to be handled through contracted services and therefore only include a net revenue figure. Vending is shown in existing operations only.

Advertisement and Sponsorship Revenue

Revenues from advertisement and sponsorships **are not** included in the pro-forma but should be considered as an opportunity to increase revenues. Any advertising or sponsorship opportunities must be scrutinized to assure they meet the mission of the Recreation & Senior Services Division.

C. Operational Budget and Pro-forma

Admissions (see Admissions page)

- Hours of operation match current hours.
- Fee structure matches current structure. However, offering monthly debit for monthly pass equates to an annual pass. This pricing structure should be considered as an annual pass option.
- An increase in total annual visits of 42,600, from 286,966 to 329,566 (15%), is projected due to the expansion as shown on the Admissions tab of the Excel spreadsheet.
- Proposed increased admission fees as noted above are recommended for consideration and are included at current admissions quantity in the Full Budget Analysis along with projections for additional revenue (see chart below).

Aquatics (see Aquatics – programming and Aquatics – Lifeguards pages)

- Aquatic programs offer the most opportunity for specialty programs in warmer water and in leisure admissions. It is estimated that the leisure pool may not be open the entire time that the pool is open, allowing for swim and water related lessons outside of leisure swimming.
- Additional swim lessons offer the most potential during the busiest seasons and are thus calculated at 21 weeks of lessons.
- Aquatic/Swim Lesson Instructors are calculated at \$11.50 per hour; private lessons at \$18 per hour.
- Lifeguards are proposed in addition to current staffing.
- Lifeguard salaries are calculated at \$11.50 per hour.
- Lifeguard /pool access is calculated at 50 weeks per year to allow for holidays and maintenance.

Fitness (see Fitness page)

- With more dedicated fitness space, opportunities exist for not only drop in fitness (FitZone), but for specialty (contractual) fitness classes. Other opportunities exist for such programs as Fitness on Demand.
- Fit Zone is calculated at 50 weeks/year.
- Fitness instructor rates are calculated at \$21/hour.
- Fitness contracts are calculated at 30% gross revenue retained (70% to instructor).

Programs

Additional program revenue for seniors, youth and adults may be realized but was not included in this expansion scenario.

Rentals (including birthday party packages)

Proposed increases in rental and party rates are recommended for consideration and are included at current reservation quantity in the Full Budget Analysis along with projections for additional revenue.

Budget Overview

An overview of expenditures, revenues, and cost recovery for the existing center and proposed expansion can be found on the Line Item Detail, Pro-forma and Full Budget Analysis pages. The Full Budget Analysis is provided below in **Table 8**, and summarized as:

2015 Cost Recovery	72%
Expansion Cost Recovery	47%
Combined Cost Recovery	65%
Combined Revenue	\$2,389,990
Combined Expenses	\$3,684,788
Combined Subsidy	\$1,294,798

Table 8: Full Budget Analysis

Revenues	Current	Expansion	Total
720 - Rec Admin			
721 – Cen Mgmt (Admissions)	\$ 1,032,582	\$ 143,575	\$ 1,346,437
721 – Fee Increase		\$ 170,280	\$ 170,280
722 - Aquatics	\$ 143,510	\$ 86,680	\$ 230,190
723 – Fit (GroupX)	\$ 108,233	\$ 100,625	\$ 208,858
724 - Youth	\$ 212,587		\$ 212,587
725 - MemSquare	\$ 36,939		\$ 36,939
726- Youth Sports	\$ 134,594		\$ 134,594
727 - Adult Sports	\$ 47,644		\$ 47,644
728 - Senior Services	\$ 82,043		\$ 82,043
731 - Senior Meal	\$ 48,000		\$ 48,000
732 - Nite @ Rec	\$ 42,698		\$ 42,698
Total	\$ 1,888,830	\$ 501,160	\$ 2,389,990
Expenses	\$ 2,062,307		\$ 2,062,307
Personnel		\$ 443,935	\$ 443,935
Supplies		\$ 39,500	\$ 39,500
Services		\$ 281,780	\$ 281,780
PW Maint	\$ 427,702	\$ -	\$ 427,702
Rec/Sen Cen CIP	\$ 125,000	\$ 304,564	\$ 429,564
Total	\$ 2,615,009	\$ 1,069,779	\$ 3,684,788
Cost Recovery	72%	47%	65%
Total Surplus/Deficit	\$ (726,179)	\$ (568,619)	\$ (1,294,798)

* Includes revenue increase of 16% in admissions, 26% in rentals and 31% in parties at current level of use but with increased fee applied.

D. Projected Five Year Pro-forma

A projected Five Year Pro-forma is provided using an estimated annual expenditure increase of 3% and incremental fee adjustments, as indicated in **Table 9** below.

Table 9: Projected Five Year Pro-forma

	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUES	Combined				
TOTAL REVENUE	\$ 2,389,990	\$ 2,461,690	\$ 2,535,540	\$ 2,611,607	\$ 2,689,955
EXPENSES					
TOTAL EXPENSES	\$ 3,684,788	\$ 3,795,331	\$ 3,909,191	\$ 4,026,467	\$ 4,147,261
NET	-\$1,294,798	-\$1,333,641	-\$1,373,651	-\$1,414,860	-\$1,475,306
COST RECOVERY	65%	65%	65%	65%	65%

E. Financial Analysis and Potential Funding Sources

Operations are typically offset by fees and charges, but generally include some level of subsidy from the agency's general fund. In order to assist with predicting a level of subsidy, GreenPlay traditionally recommends a cost recovery model. This information is summarized here with further details provided in **Appendix B**.

Conceptually, the Pyramid Methodology creates an overall philosophy and approach for resource allocation, program pricing, and cost recovery evaluation. Programs are evaluated based on their overall benefit to the individual or community, and priced for subsidy or cost recovery appropriately, as shown.

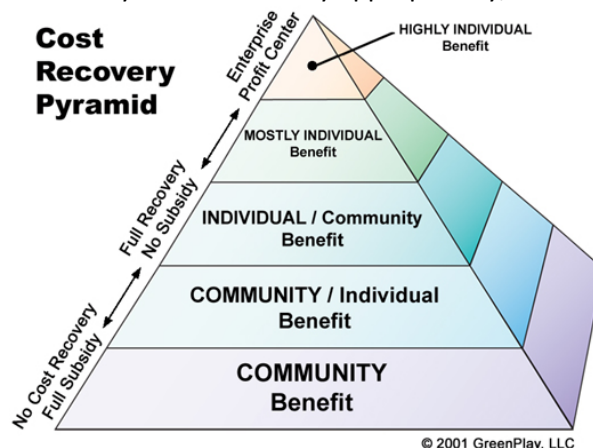
Other sources that help offset subsidies include:

Grants

- Conservation Trust Fund
- Great Outdoors Colorado (GOCO)
- Land and Water Conservation Fund
- Private Foundations

Partnerships

- It is recommended that the City establish a formal Partnership Policy- GreenPlay can provide a sample template for this purpose.
- Opportunities for: Hospitals; Fitness and Health providers; Joint public/Non-profit facilities; Private Sector (drink/food providers, clothing providers, exercise equipment providers)



Sponsorships

- It is recommended that the City establish a formal Sponsorship Policy; GreenPlay can provide a sample template for this purpose.
- Facility Sponsorship Program and Policy – Cash and In-kind
- Program Sponsorship Guidelines and Benefits
- Naming Rights and/or Amenity labeling
- Corporate and/or Local Support, Alliances

Donor/Gifting/Volunteer Programs

- Cash: Foundation, Gifts, Charitable Trusts, Endowments
- In-Kind: Volunteers, Facility Amenities
- **Foundations** – Can help with securing, managing, and attracting alternative funding.
- **Lease Purchase** – Reduces initial investment by leasing all or a portion of equipment with the option to purchase after a set investment period.
- **Management Agreements** – Private vendors may manage all or part of a facility or program, in return paying rent or sharing revenues (see Partnerships).

Louisville Recreation & Senior Center Expansion

Estimated expenses and projected revenues are based on a basic understanding of the conceptual project and the best information available regarding the market area and proposed practices of the District. There is no guarantee that the estimates and projections will be met as there are many variables that cannot be accurately determined during this conceptual planning stage, and/or are subject to change during the actual design and implementation process. The estimated number of participants is based on current program offerings or similar venues and does not guarantee the availability of participants to meet projected revenues.

Assumptions: 7 Day/Wk Operations		Spaces: Support Spaces, Gym, Weight, Fitness, FitZoneStudio, Leisure Pool, Wet Classrooms - Party Room				
	Schedule	Hours				
	Facility Hours - M-R: 5:45a-9p	61.0			Personnel:	Full Facility Target:
	Facility Hours - FRI: 5:45a-7p	13.25				60%
	Facility Hours - SAT: 7a-6p	11			Supplies:	10%
	Facility Hours - SUN: 8a-6p	10			Services:	30%
	Total	95.25			Capital:	5%
	Total					
Notes		Estimate				Notes or Questions to be answered
Facility Size					current 57,400 expansion 50,000	Estimated gross square footages
Personnel Services						
Full-time salaries					\$200,044	
Part-time salaries					\$168,135	
Benefits					\$75,756	
Subtotal Personnel Services					\$443,935	Target 60% overall
Notes		Formula	Low Estimate		Estimate	Notes or Questions to be answered
Materials and Supplies						
Office/Uniforms					\$10,500	
Aquatics -Recreation Program Supplies/Chemicals					\$29,000	
Building Maintenance Supplies					\$0	
Custodial Supplies					\$0	
Subtotal Operational					\$39,500	Target 10% overall
Notes		Formula	Low Estimate		Estimate	Notes or Questions to be answered
Services						
Contracted Services (bank card, Maintenance, Custodial services)					\$10,000	
Rec General Expenses (advertising, telephone, equipment rental)					\$3,500	
Rec Facility Maintenance (trash, building and ground maintenance)					\$1,500	
Rec Equipment Maintenance (computer office op & maint)					\$37,000	
Utilities - gas & electric water & sewer	\$3.25/sqft per year for non-aquatics space, plus \$5.25/sqft for aquatics space				\$223,280	30,390 Aquatics sqft 19,610 Non-aquatics (fitness and other) 50,000 Total expansion
Property and Liability Insurance	estimate is based on actual cost/yr. of a typical Recreation Center/sqft = \$.13/sqft				\$6,500	
Subtotal Services					\$281,780	Target 30% overall
Notes		Formula			Estimate	Notes or Questions to be answered
Capital						
Buildings & Improvements						5% total of expansion; additional for current 3% infrastructure
Machinery & Equipment						2% equipment replacement
Additional R & R					\$304,564	
Subtotal Capital					\$304,564	
GRAND TOTAL EXPENDITURES					\$1,069,779	
Revenues:						
	Formula	Formula	Formula	Low Estimate	Estimate	Notes or Questions to be answered
Admission						
Monthly Pass/Punch Card Revenue				65%	\$92,755	See Admissions Tab for Details
Daily Drop In Revenue				35%	\$50,820	See Admissions Tab for Details
Sub Total - Admissions					\$143,575	
	Formula	Formula	Formula	Low Estimate	Estimate	Notes or Questions to be answered
Programs/Operations						
Additional Fitness					\$100,625	See Fitness Rev/Exp Tab for Details
Additional Aquatics Lessons/Program					\$86,680	See Aquatics Rev/Exp Tab for Details
Facility Rentals (includes parties)					\$0	Fee increase will generate more; not included
GRAND TOTAL REVENUE					\$330,880	
Surplus/(Deficit)					(\$738,899)	
		High Estimate				Notes or Questions to be answered
GRAND TOTAL SURPLUS/(DEFICIT)		(\$738,899)				
facility tax subsidy amount						
PROJECTED COST RECOVERY		31%				
total collected through fees, charges & alt. funds						

Louisville Recreation & Senior Center Expansion

Line Item Expenses

POSITION		FTE's	AVERAGE PAY RATE		Salary
PERSONNEL -- FULL TIME RECREATION					
Supervisor 1 - Fitness		1	\$52,083.00		\$52,083.00
Supervisor 1 - Seniors		1	\$52,083.00		\$52,083.00
Tech 1 - Facility Maintenance		1	\$38,043.29		\$38,043.29
Tech 1 - Pool Maintenance		1	\$38,043.29		\$38,043.29
Facility Assistant (.25)		0.25	\$39,582.40		\$9,895.60
Tech 1 - Accounting (.25)		0.25	\$39,582.40		\$9,895.60
TOTAL - Recreation		4.5	\$259,417		\$200,044
Non-Benefited / Non-Permanent PERSONNEL -- PART TIME					
		Hrs Week	AVE/Hr Wage		Est. Annual (Budget Exp)
Custodial		25	\$15.00		\$19,125.00
Maintenance		15	\$15.00		\$11,475.00
Aquatics Lifeguards			\$11.50		\$95,162.50
Swim Instructors			\$10.50		\$7,372.00
Fitness Instructors			\$21.00		\$10,500.00
SUBTOTAL					\$133,135
Contractual Fitness (70%)					\$35,000.00
TOTAL					\$168,135

Currently contracted - discussion

See Aquatics - Lifeguards

See Aquatics Rev-Exp

See Fitness Rev-Exp

FULL TIME	Information/Notes		(Budget)
Benefits	Estimated at 30%		\$60,013
FICA/Medicare			
Workmen's Compensation			
Health Insurance - FT/Perm employee			
Education			
Aquatics Staff Orientation/Train			
Longevity			
Attendance			
Background checks			\$0
FT TOTAL			\$60,013
PART TIME			
Benefits	Estimated at 10.75% of PT hourly (not contractual)		\$ 14,312
FICA/Medicare	7.65%		
Workmen's Compensation	2.95%		
Background checks	0.02%		\$1,431
PT TOTAL			\$15,743
TOTAL			\$75,756

Supplies	Information/Notes		(Budget)
Postage	Flyers, promotions, mailings		\$3,000
Printing	Program Guides, Flyers, Special Events		\$3,000
Office Supplies	Printer ribbons, pads, pencils, pens, paper, etc.		\$2,500
Dues and Memberships			
Uniforms	Staff		\$2,000
Chemicals	Pool Chemicals		\$15,000
Aquatics Supplies	Birthday Party,Safety,Program,Lifeguard training,CPR		\$10,000
Recreation Supplies	Fit balls, fitness equipment, mats, weight room supplies (assume equipment in FFE)		\$4,000
Building Maintenance Supplies	Hardware, plumbing, carpentry, drywall, fasteners, pest control, etc.		\$0
Custodial Supplies	Cleaning solutions, cleaning equipment, paper products, liners, etc. (assume equipment in FFE)		\$0
TOTAL SUPPLIES			\$39,500

Services	Information/Notes		(Budget)
Credit Card Fees	Percent of each sale by credit card		\$5,000
Maintenance Contracted Services	HVAC, major maintenance problems		\$5,000
Sub Total			\$10,000
Telephone	phones,cellphones, etc		\$1,000
Equipment Rental			\$2,500
Sub Total			\$3,500
Gas and Electric	See Proforma Page 1		\$0
Heat	See Proforma Page 1		\$0
Water/Sewer	See Proforma Page 1		\$0
Trash Removal	Trash, recycling dumpsters -- \$160/month average		\$0 existing
Security	Monitoring Services		\$1,500
Sub Total			\$1,500
Computer Oper/Main Registration Software	Repair, Upgrades, Support		\$35,000 \$10K per FTE
Minor Equipment Repair	Repair of office equipment		\$2,000
Capital Replacement Fund	Money set aside for future renovations and replacements - See Proforma Page 1		\$0 see page 1
Sub Total			\$37,000
TOTAL SERVICES			\$52,000

Louisville Recreation & Senior Center Expansion

Additional Admissions Revenue

	PROPOSED FEE	PASSES PER WEEK	PASSES PER MONTH	PASSES PER YEAR	AVG WEEKLY USE	ANNUAL VISITS PER YEAR	TOTAL GROSS
RESIDENT (68%)							
Daily							
Toddlers							
Youth	\$ 4.50	25		1200		1,200	\$ 5,400.00
Adults	\$ 6.50	50		2400		2,400	\$ 15,600.00
Seniors	\$ 4.50	25		1200		1,200	\$ 5,400.00
Family (2A, 3C)							
Group Youth	\$ 4.00			0			
Group Adult	\$ 6.00			0			
Subtotal				4800		4,800	\$ 26,400.00
10 Punch							
Toddlers							
Youth	\$ 28.00		10	110	2	960	\$ 280.00
Adults	\$ 48.00		20	220	3	2,880	\$ 960.00
Seniors	\$ 28.00		10	110	1	480	\$ 280.00
Family (2A, 3C)							
Subtotal						4,320	\$ 1,520.00
20 Punch							
Toddlers							
Youth	\$ 53.00		10	110	2	960	\$ 530.00
Adults	\$ 93.00		20	220	3	2,880	\$ 1,860.00
Seniors	\$ 53.00		10	110	1	480	\$ 530.00
Family (2A, 3C)							
Subtotal						4,320	\$ 2,920.00
Monthly							
Toddlers							
Youth	\$ 22.00		20	220	2	60	\$ 5,280.00
Adults	\$ 38.00		30	330	3	90	\$ 13,680.00
Seniors	\$ 22.00		20	220	2	60	\$ 5,280.00
Couple	\$ 58.00		20	220	2	60	\$ 13,920.00
Senior Couple	\$ 40.00		20	220	2	60	\$ 9,600.00
Family (2A, 3C)	\$ 65.00		25	275	1	30	\$ 19,500.00
Subtotal						360	\$ 67,260.00
RES TOTALS						13,800	\$ 98,100.00
NON RESIDENT (32%)							
Daily							
Toddlers							
Youth	\$ 6.75	15		720		720	\$ 4,860.00
Adults	\$ 8.75	35		1680		1,680	\$ 14,700.00
Seniors	\$ 6.75	15		720		720	\$ 4,860.00
Family (2A, 3C)							
Group Youth	\$ 6.00			0		-	\$ -
Group Adult	\$ 8.00			0		-	\$ -
Subtotal						3,120	\$ 24,420.00
10 Punch							
Toddlers							
Youth	\$ 56.00		15	165	2	1,440	\$ 840.00
Adults	\$ 80.00		40	440	2	3,840	\$ 3,200.00
Seniors	\$ 56.00		15	165	1	720	\$ 840.00
Family (2A, 3C)							
Subtotal						6,000	\$ 4,880.00
20 Punch							
Toddlers							
Youth	\$ 106.00		15	165	2	1,440	\$ 1,590.00
Adults	\$ 150.00		40	440	2	3,840	\$ 6,000.00
Seniors	\$ 106.00		15	165	1	720	\$ 1,590.00
Family (2A, 3C)							
Subtotal						6,000	\$ 9,180.00
Monthly							
Toddlers							
Youth	\$ 33.00		20	220	2	1,920	\$ 660.00
Adults	\$ 50.00		45	495	3	6,480	\$ 2,250.00
Seniors	\$ 33.00		20	220	2	1,920	\$ 660.00
Couple	\$ 70.00		20	220	2	1,920	\$ 1,400.00
Senior couple	\$ 60.00		15	165	1	720	\$ 900.00
Family (2A, 3C)	\$ 75.00		15	165	1	720	\$ 1,125.00
Subtotal						13,680	\$ 6,995.00
NON RES TOTALS						28,800	\$ 45,475.00
TOTALS						42,600	\$ 143,575.00
Notes:						Avg Daily Visits	126.79
Revenues are allocated at 48 weeks.							

Calculations: Resident 68%
Avg. Sales Non-resident 32%

Comparisons

BROOMFIELD 85,000SF				LAFAYETTE 48,372SF				ERIE 64,000SF				GOLDEN 71,483SF				LONGMONT 63,500SF			
R		NR		R		NR		R		NR		R		NR		R		NR	
				\$ 3.00												\$ 3.75		\$ 4.75	
\$	3.25	\$	6.00	\$	3.50	\$	2.25	\$	2.75	\$	2.75					\$	4.00	\$	5.00
\$	4.75	\$	7.50	\$	5.00	\$	4.50	\$	5.50	\$	4.50					\$	5.00	\$	6.25
\$	3.75	\$	6.00	\$	3.25	\$	2.70	\$	3.40	\$	3.50					\$	4.00	\$	5.00
						\$ 39.00		\$ 49.00											
\$	29.00	\$	54.00																
\$	43.00	\$	68.00																
\$	34.00	\$	54.00																
																\$ 75.00		\$ 93.75	
\$	55.00	\$	102.00	\$	56.00					\$	36.00	\$	40.00						
\$	81.00	\$	128.00	\$	80.00					\$	63.00	\$	70.00						
\$	64.00	\$	102.00	\$	52.00					\$	90.00	\$	100.00						
										\$	68.00	\$	75.00						
\$	17.00	\$	32.00	\$	34.00											\$	20.00	\$	25.00
\$	31.00	\$	49.00	\$	19.00											\$	36.00	\$	45.00
\$	20.00	\$	32.00	\$	43.00											\$	20.00	\$	25.00
\$	54.00	\$	85.00	\$	28.00											\$	59.00	\$	73.75
\$	33.00	\$	53.00	\$	60.00														
																\$	67.00	\$	83.75

Louisville Recreation & Senior Center Expansion

Additional Fitness Revenue Part Time Salaries

	<u>QTY/WK</u>			<u>HOURS PER</u>	<u>HOURS PER</u>		<u>HOURS PER</u>	<u>PARTICIPANTS</u>		<u>INSTRUCTOR</u>	
	<u>(AVG)</u>	<u>RATE (AVG)</u>	<u># STUDENTS</u>	<u>CLASS</u>	<u>WEEK</u>	<u>WEEKS</u>	<u>YEAR</u>	<u>/YR</u>	<u>TOTAL GROSS</u>	<u>COSTS</u>	<u>NET REVENUE</u>
FitZone											
Group	10	\$ 4.50	15	1	10	50	500	7,500	\$ 33,750.00	\$ 10,500.00	\$ 23,250.00
Speciality	10	\$ 10.00	10	1.5	15	50	750	5,000	\$ 50,000.00		\$ 15,000.00
FOD		\$ 4.50	75						\$ 16,875.00	\$ -	\$ 16,875.00
TOTALS	20				25		1,250	12,500	\$ 100,625.00	\$ 10,500.00	\$ 55,125.00
Notes: Costs may be lower/higher through reduced/increased hours, number of programs offered or hourly wages. Equipment is drop in rate; FitZone group rate estimated at minimal drop in. Speciality classes are based on sessions and length of class - contractual 70/30 split (see Line Item Detail PT salaries); instructor rates are allocated at \$21/hr.											

Louisville Recreation & Senior Center Expansion

Additional Aquatics Revenue/Expense Part Time Salaries

	<u>INSTRUCTOR</u>								
	<u>QTY</u>	<u>AVG RATE</u>	<u># STUDENTS</u>	<u>HOURS/SESSI</u>	<u>HOURS PER</u>	<u>PARTICIPANTS</u>	<u>TOTAL GROSS</u>	<u>INSTRUCTOR</u>	<u>NET REVENUE</u>
			<u>PER CLASS</u>	<u>ON</u>	<u>YEAR</u>	<u>/YR (AVG)</u>		<u>COSTS</u>	
Lessons (2 week sessions @ 21 weeks = approx 10 sessions)									
Per session - 5 levels, 2 classes									
per level	10	\$ 45.00	8	40	400	800	\$ 36,000.00	\$ 4,600.00	\$ 31,400.00
Classes/session for each									
group	4								
Total classes per session	40								
Sessions per year	10								
Group lessons per year	100								
Classes per year	400								
Private (2 week sessions @ 21 weeks = approx 10 sessions)									
Lessons	5	\$ 20.00	1	1	50	50	\$ 1,000.00	\$ 900.00	\$ 100.00
Sessions per year	10								
Speciality (2 week sessions @ 48 weeks = approx 24 sessions)									
Speciality	2	\$ 60.00	6	1	48	288	\$ 17,280.00	\$ 864.00	\$ 16,416.00
Sessions per year	24								
Lessons per year	48								
Water Exercise (2 week sessions @ 48 weeks = approx 24 sessions)									
				PER YEAR					
By Type	2	\$ 45.00	15	1	48	720	\$ 32,400.00	\$ 1,008.00	\$ 31,392.00
Sessions per year	24								
Lessons per year	48								
TOTALS:						1858	\$ 86,680.00	\$ 7,372.00	\$ 79,308.00
Notes:									
Costs may be lower/higher through reduced/increased hours, number of programs offered or hourly wages.									
New lessons calculated at 21 weeks allows down time for maintenance and off weeks for breaks; focus on busy lesson times.									
Instructor rates (group lessons) are allocated at \$11.50/hr, avg 1 instructors per class. Private lessons at \$18/hr.									
Water exercise calculated at 42 weeks, instructor rates are allocated at \$21/hr.									

Louisville Recreation & Senior Center Expansion

Additional Aquatics - Estimated Life Guard Hours

		<u>HOURS</u>	<u>RATE</u>	<u>EMP</u>	<u>WEEKS</u>	<u>TOTAL</u>	<u>TOTAL MAN HOURS</u>
Saturday							
7:45:00 AM	12:00:00 AM	4.25	\$ 11.50	1	50	\$ 2,443.75	212.5
12:00:00 AM	3:00:00 PM	3.00	\$ 11.50	3	50	\$ 5,175.00	450
3:00:00 PM	5:30:00 PM	2.50	\$ 11.50	2	50	\$ 2,875.00	250
Sunday							
9:45:00 PM	12:00:00 PM	2.25	\$ 11.50	2	50	\$ 2,587.50	225
12:00:00 PM	5:30:00 PM	5.50	\$ 11.50	3	50	\$ 9,487.50	825
Monday							
5:45:00 AM	12:00:00 PM	6.25	\$ 11.50	1	50	\$ 3,593.75	312.5
12:00:00 PM	5:00:00 PM	5.00	\$ 11.50	2	50	\$ 5,750.00	500
5:00:00 PM	8:30:00 PM	3.50	\$ 11.50	3	50	\$ 6,037.50	525
Tuesday							
5:45:00 AM	12:00:00 PM	6.25	\$ 11.50	1	50	\$ 3,593.75	312.5
12:00:00 PM	5:00:00 PM	5.00	\$ 11.50	2	50	\$ 5,750.00	500
5:00:00 PM	8:30:00 PM	3.50	\$ 11.50	3	50	\$ 6,037.50	525
Wednesday							
5:45:00 AM	12:00:00 PM	6.25	\$ 11.50	1	50	\$ 3,593.75	312.5
12:00:00 PM	5:00:00 PM	5.00	\$ 11.50	2	50	\$ 5,750.00	500
5:00:00 PM	8:30:00 PM	3.50	\$ 11.50	3	50	\$ 6,037.50	525
Thursday							
5:45:00 AM	12:00:00 PM	6.25	\$ 11.50	1	50	\$ 3,593.75	312.5
12:00:00 PM	5:00:00 PM	5.00	\$ 11.50	2	50	\$ 5,750.00	500
5:00:00 PM	8:30:00 PM	3.50	\$ 11.50	3	50	\$ 6,037.50	525
Friday							
5:45:00 AM	12:00:00 PM	6.25	\$ 11.50	1	50	\$ 3,593.75	312.5
12:00:00 PM	6:30:00 PM	6.50	\$ 11.50	2	50	\$ 7,475.00	650
TOTALS		89.25				\$ 95,162.50	8275
Notes:							
Costs may be lower/higher through reduced/increased hours, or hourly wages.							
Costs are allocated at 50 weeks to account for holidays, vacation, sick and 1 week maintenance closure.							
Staff arrives 15 min before opening; pool closes /12 hour before facility; FT staff rotates in guard duties							

SCHEDULE (50 wks)		hours/day	hours/wk	hours/yr
M-R	5:45am-8:30pm	14.75	59	2950
F	5:45am-6:30pm	12.75	12.75	637.5
Sat	7:45am-5:30pm	9.75	9.75	487.5
Sun	9:45am-5:30pm	7.75	7.75	387.5
TOTAL			89.25	4462.5

Louisville Recreation & Senior Center Expansion

Full Budget Analysis w/ Public Works/Facility Maintenance and R&R

Revenues	Current	Expansion	Total
720 - Rec Admin			
721 - Center Mgmt (Admissions)	\$ 1,032,582	\$ 143,575	\$ 1,176,157
721 - Center Mgmt (Fee Increase/Admissions)		\$ 170,280	\$ 170,280
722 - Aquatics	\$ 143,510	\$ 86,680	\$ 230,190
723 - Fitness (GroupX)	\$ 108,233	\$ 100,625	\$ 208,858
724 - Youth	\$ 212,587		\$ 212,587
725 - Memory Square	\$ 36,939		\$ 36,939
726- Youth Sports	\$ 134,594		\$ 134,594
727 - Adult Sports	\$ 47,644		\$ 47,644
728 - Senior Services	\$ 82,043		\$ 82,043
731 - Senior Meal	\$ 48,000		\$ 48,000
732 - Nite at the Rec	\$ 42,698		\$ 42,698
Total	\$ 1,888,830	\$ 501,160	\$ 2,389,990
Expenses	\$ 2,062,307		\$ 2,062,307
Personnel		\$ 443,935	\$ 443,935
Supplies		\$ 39,500	\$ 39,500
Services		\$ 281,780	\$ 281,780
Public Works - Building Maintenance	\$ 427,702	\$ -	\$ 427,702
Recreation/Senior Center R&R	\$ 125,000	\$ 304,564	\$ 429,564
Total	\$ 2,615,009	\$ 1,069,779	\$ 3,684,788
Cost Recovery	72%	47%	65%
Total Surplus/Deficit	\$ (726,179)	\$ (568,619)	\$ (1,294,798)

Expansion Cost Recovery
47%

Current Cost Recovery
72%

Combined Cost Recovery
65%


* Includes revenue increase of 16% in admissions, 26% in rentals and 31% in parties at current level of use but with increased fee applied.

Louisville Recreation & Senior Center Expansion

w/o Public Works/Facility Maintenance Transfer

		Year 1	Year 2	Year 3	Year 4	Year 5
REVENUES	Current	Combined				
720 - Rec Admin			\$ -	\$ -	\$ -	\$ -
721 - Center Mgmt	\$ 1,032,582	\$ 1,176,157	\$ 1,211,442	\$ 1,247,785	\$ 1,285,219	\$ 1,323,775
721 - Addtl Admissions		\$ 170,280	\$ 175,388	\$ 180,650	\$ 186,070	\$ 191,652
722 - Aquatics	\$ 143,510	\$ 230,190	\$ 237,096	\$ 244,209	\$ 251,535	\$ 259,081
723 - Fitness (GroupX)	\$ 108,233	\$ 208,858	\$ 215,124	\$ 221,577	\$ 228,225	\$ 235,072
724 - Youth	\$ 212,587	\$ 212,587	\$ 218,965	\$ 225,534	\$ 232,300	\$ 239,269
725 - Memory Square	\$ 36,939	\$ 36,939	\$ 38,047	\$ 39,189	\$ 40,364	\$ 41,575
726 - Youth Sports	\$ 134,594	\$ 134,594	\$ 138,632	\$ 142,791	\$ 147,074	\$ 151,487
727 - Adult Sports	\$ 47,644	\$ 47,644	\$ 49,073	\$ 50,546	\$ 52,062	\$ 53,624
728 - Senior Services	\$ 82,043	\$ 82,043	\$ 84,504	\$ 87,039	\$ 89,651	\$ 92,340
731 - Senior Meal	\$ 48,000	\$ 48,000	\$ 49,440	\$ 50,923	\$ 52,451	\$ 54,024
732 - Nite at the Rec	\$ 42,698	\$ 42,698	\$ 43,979	\$ 45,298	\$ 46,657	\$ 48,057
TOTAL REVENUE	\$ 1,888,830	\$ 2,389,990	\$ 2,461,690	\$ 2,535,540	\$ 2,611,607	\$ 2,689,955
EXPENSES						
Current	\$ 2,062,307	\$ 2,062,307	\$ 2,124,176	\$ 2,187,901	\$ 2,253,539	\$ 2,321,145
Personnel		\$ 443,935	\$ 457,253	\$ 470,970	\$ 485,099	\$ 499,652
Supplies		\$ 39,500	\$ 40,685	\$ 41,906	\$ 43,163	\$ 44,458
Services		\$ 281,780	\$ 290,233	\$ 298,940	\$ 307,909	\$ 317,146
Public Works Transfer	\$ 427,702	\$ 427,702	\$ 440,533	\$ 453,749	\$ 467,362	\$ 481,382
Community Center R&R	\$ 125,000	\$ 429,564	\$ 442,451	\$ 455,724	\$ 469,396	\$ 483,478
TOTAL EXPENSES	\$ 2,615,009	\$ 3,684,788	\$ 3,795,331	\$ 3,909,191	\$ 4,026,467	\$ 4,147,261
NET	-\$726,179	-\$1,294,798	-\$1,333,641	-\$1,373,651	-\$1,414,860	-\$1,457,306
COST RECOVERY	72%	65%	65%	65%	65%	65%

Memorandum

To: Finance Committee, Heather Balser, Kevin Watson,
Kathy Martin, Recreation Senior Center Superintendent
From: Joe Stevens 
Date: April 9, 2018
Re: Sales Tax for Recreation Senior Center and Schedules for Renewal and Replacement

Accompanying this memorandum, please find three (3) options used to help determine the sales tax requested in the successful 2016 bond election for both construction and operations specific to the new addition to the Louisville Recreation Senior Center. These attachments along with our Six (6) Year Capital Improvement requests are perhaps a good place to initiate discussion for renewal and replacement cost at the Recreation Senior Center.

encl: Louisville Recreation Senior Center Annual Repair and Replacement Budget Summary

Louisville Recreation Senior Center and Aquatics Study
Annual Repair and Replacement Budget Summary
June 9, 2016

Option 1
3% Escalation

CSF	Repair/Replac	Number of	Approximate	Approximate	Annual Inflation	Cost Anticipated
Division	ment Life	R&R Cycles	Total Cost per	Total Cost over	(3%/yr) over 25	over 25 years
Repair and/or Replacement Category	Cycle (Yrs.)	over 25 years	cycle (\$)	25 yr cycle (\$)	years	(\$/Yr)
310000 Division 31 - Sitework						
Landscape Replenish/Replacement	10	2.5	\$ 15,000.00	\$ 37,500.00	\$ 28,125.00	\$ 2,625.00
Turf Area Patch/Replace	5	5	\$ 10,000.00	\$ 50,000.00	\$ 37,500.00	\$ 3,500.00
Paving Repairs	10	2.5	\$ 5,000.00	\$ 12,500.00	\$ 9,375.00	\$ 875.00
Parking Lot Overlay Asphalt	20	1.25	\$ 150,000.00	\$ 187,500.00	\$ 140,625.00	\$ 13,125.00
Stormwater, Sewer, Water Utility Repairs	15	1.67	\$ 20,000.00	\$ 33,333.33	\$ 25,000.00	\$ 2,333.33
Irrigation Repairs	2	12.5	\$ 5,000.00	\$ 62,500.00	\$ 46,875.00	\$ 4,375.00
Subtotal Annual Replacement Budget						\$ 26,833.33
030000 Division 3 - Concrete						
No work anticipated	0	0	\$ -	\$ -	\$ -	\$ -
Subtotal Annual Replacement Budget						\$ -
040000 Division 4 - Masonry						
042000 No Work Anticipated	0	0	\$ -	\$ -	\$ -	\$ -
Subtotal Annual Replacement Budget						\$ -
050000 Division 5 - Metals						
No work anticipated						\$ -
Subtotal Annual Replacement Budget						\$ -
060000 Division 6- Wood & Plastics						
061000 Misc Rough Carpentry Repairs	10	2.5	\$ 6,000.00	\$ 15,000.00	\$ 11,250.00	\$ 1,050.00
064023 Millwork Misc Repairs / Selective Replacement	20	1.25	\$ 25,000.00	\$ 31,250.00	\$ 23,437.50	\$ 2,187.50
Subtotal Annual Replacement Budget						\$ 3,237.50
070000 Division 7- Thermal & Moisture Protection						
074120 Roof Leaks/Repairs	5	5	\$ 2,500.00	\$ 12,500.00	\$ 9,375.00	\$ 875.00
074120 Re-Roof Flat Roofs	20	1.25	\$ 800,000.00	\$ 1,000,000.00	\$ 750,000.00	\$ 70,000.00
076200 Coping/Flashing Repairs	15	1.67	\$ 10,000.00	\$ 16,666.67	\$ 12,500.00	\$ 1,166.67
076200 Roof Drain Repairs/Replacement	20	1.25	\$ 25,000.00	\$ 31,250.00	\$ 23,437.50	\$ 2,187.50
Subtotal Annual Replacement Budget						\$ 74,229.17
Division 8- Doors and Windows						
081416 Wood Door Replacement	20	1.25	\$ 20,000.00	\$ 25,000.00	\$ 18,750.00	\$ 1,750.00

Louisville Recreation Senior Center and Aquatics Study
Annual Repair and Replacement Budget Summary
June 9, 2016

Option 1
3% Escalation

CSI	Repair and/or Replacement Category	Repair/Replacement Life Cycle (yrs.)	Number of R&R Cycles over 25 years	Approximate Total Cost per cycle (\$)	Approximate Total Cost over 25 yr cycle (\$)	Annual Inflation (3%/yr) over 25 years	Cost Amortized over 25 years (\$/yr)
087000	Door Hardware / Lockset Repairs/Upgrades	5	5	\$ 2,500.00	\$ 12,500.00	\$ 9,375.00	\$ 875.00
083323	Overhead door Replace Operator	15	1.67	\$ 1,500.00	\$ 2,500.00	\$ 1,875.00	\$ 175.00
088000	Window break misc. replacement	5	5	\$ 2,500.00	\$ 12,500.00	\$ 9,375.00	\$ 875.00
Subtotal Annual Replacement Budget							\$ 3,675.00
Division 9- Finishes							
092900	Drywall Misc Patch and Repair	5	5	\$ 5,000.00	\$ 25,000.00	\$ 18,750.00	\$ 1,750.00
093000	Tile and Grout Misc Patch, Repair & Replaement	15	1.67	\$ 10,000.00	\$ 16,666.67	\$ 12,500.00	\$ 1,166.67
095123	Acoustic Ceilings Tile Misc Replacement	15	1.67	\$ 20,000.00	\$ 33,333.33	\$ 25,000.00	\$ 2,333.33
096519	Viny/VCT Tile Flooring Replacement	12	2.08	\$ 25,000.00	\$ 52,083.33	\$ 39,062.50	\$ 3,645.83
095123	Carpet Replacement	10	2.5	\$ 40,000.00	\$ 100,000.00	\$ 75,000.00	\$ 7,000.00
096725	Gym/Group Exer. Wood Floor Full Sand and Refinish	5	5	\$ 18,000.00	\$ 90,000.00	\$ 67,500.00	\$ 6,300.00
096725	Turf MAC Gym turf replacement	15	1.67	\$ 48,000.00	\$ 80,000.00	\$ 60,000.00	\$ 5,600.00
095123	Resilient Rubber Fitness Flooring Replacement	15	1.67	\$ 90,000.00	\$ 150,000.00	\$ 112,500.00	\$ 10,500.00
095123	Paint Touch-up	2	12.5	\$ 5,000.00	\$ 62,500.00	\$ 46,875.00	\$ 4,375.00
095123	Interior Repainting walls, Ceiling/Structure	10	2.5	\$ 77,250.00	\$ 193,125.00	\$ 144,843.75	\$ 13,518.75
Subtotal Annual Replacement Budget							\$ 56,189.58
Division 10- Specialties							
100000	Visual Display Boards, Replace	10	2.5	\$ 2,500.00	\$ 6,250.00	\$ 4,687.50	\$ 437.50
102239	Folding Panel Partitions				\$ -		\$ -
102800	Toilet Accessories, Assume 50% replacement	20	1.25	\$ 10,000.00	\$ 12,500.00	\$ 9,375.00	\$ 875.00
105113	Replace Lockers (Assume faces replaced)	25	1	\$ 36,000.00	\$ 36,000.00	\$ 27,000.00	\$ 2,520.00
Subtotal Annual Replacement Budget							\$ 3,832.50
Division 11- Equipment							
114400	Food Service Equipment, Replace Catering Kitchen Appl.	25	1	\$ 40,000.00	\$ 40,000.00	\$ 30,000.00	\$ 2,800.00
116623	Gymnasium Equipment (misc replacement budget)	20	1.25	\$ 25,000.00	\$ 31,250.00	\$ 23,437.50	\$ 2,187.50
	Fitness Equipment Scheduled Upgrades/Replacement	6	4.17	\$ 50,000.00	\$ 208,333.33	\$ 156,250.00	\$ 14,583.33
Subtotal Annual Replacement Budget							\$ 19,570.83
Division 12- Furnishings							
124813	Replace Building Entrance Mats	10	2.5	\$ 2,000.00	\$ 5,000.00	\$ 3,750.00	\$ 350.00
124910	Replace / Add Window Blinds	15	1.67	\$ 8,000.00	\$ 13,333.33	\$ 10,000.00	\$ 933.33
	Replace Building Furnishings	15	1.67	\$ 15,000.00	\$ 25,000.00	\$ 18,750.00	\$ 1,750.00
Subtotal Annual Replacement Budget							\$ 3,033.33

Louisville Recreation Senior Center and Aquatics Study
Annual Repair and Replacement Budget Summary
June 9, 2016

Option 1
3% Escalation

CSI	Repair and/or Replacement Category	Repair/Replacement Life Cycle (yrs.)	Number of R&R Cycles over 25 years	Approximate Total Cost per cycle (\$)	Approximate Total Cost over 25 yr cycle (\$)	Annual Inflation (3%/yr) over 25 years	Cost Amortized over 25 years (\$/yr)
130000	Division 13- Special Construction						
131146	Swimming Pool General Misc Repairs	2	12.5	\$ 10,000.00	\$ 125,000.00	\$ 93,750.00	\$ 8,750.00
131146	Swimming Pool Mechanical Repl (pumps, filters, controls)	25	1	\$ 120,000.00	\$ 120,000.00	\$ 90,000.00	\$ 8,400.00
131146	Swimming Pool Tile, Shell, Deck Repairs	15	1.67	\$ 20,000.00	\$ 33,333.33	\$ 25,000.00	\$ 2,333.33
	Swimming Pool re-diamond-brite pool finish	15	1.67	\$ 75,000.00	\$ 125,000.00	\$ 93,750.00	\$ 8,750.00
131146	Swimming Pool Play Feature Repair/Replacement	20	1.25	\$ 75,000.00	\$ 93,750.00	\$ 70,312.50	\$ 6,562.50
131146	Swimming Pool Maintenance Equipment Replacement	10	2.5	\$ 7,500.00	\$ 18,750.00	\$ 14,062.50	\$ 1,312.50
	Subtotal Annual Replacement Budget						\$ 36,108.33
220000	Division 22- Plumbing						
220000	Replace Water Heaters	20	1.25	\$ 25,000.00	\$ 31,250.00	\$ 23,437.50	\$ 2,187.50
220000	Replace Toilet Fixtures, Sinks, Hardware, DF	25	1.00	\$ 100,000.00	\$ 100,000.00	\$ 75,000.00	\$ 7,000.00
220000	Miscellaneous Plumbing Repairs	5	5	\$ 5,000.00	\$ 25,000.00	\$ 18,750.00	\$ 1,750.00
	Subtotal Annual Replacement Budget						\$ 10,937.50
230000	Division 23- HVAC						
230000	Miscellaneous HVAC Repairs	5	5	\$ 5,000.00	\$ 25,000.00	\$ 18,750.00	\$ 1,750.00
230000	Replace Rooftop Units	25	1	\$ 450,000.00	\$ 450,000.00	\$ 337,500.00	\$ 31,500.00
230000	Update DDC Controls (assume 30% R&R)	25	1	\$ 35,000.00	\$ 35,000.00	\$ 26,250.00	\$ 2,450.00
	Subtotal Annual Replacement Budget						\$ 35,700.00
260000	Division 26- Electrical						
260000	Miscellaneous Electrical Repairs	10	2.5	\$ 5,000.00	\$ 12,500.00	\$ 9,375.00	\$ 875.00
260000	Replace Lighting Fixtures (Assume 50% Replacement)	25	1.00	\$ 300,000.00	\$ 300,000.00	\$ 225,000.00	\$ 21,000.00
260000	Update Lighting Controls (assume 30% R&R)	15	1.67	\$ 15,000.00	\$ 25,000.00	\$ 18,750.00	\$ 1,750.00
	Subtotal Annual Replacement Budget						\$ 23,625.00
27000	Division 27- Tele / Data						
270000	Telephone & Data Misc Upgrades	10	2.5	\$ 10,000.00	\$ 25,000.00	\$ 18,750.00	\$ 1,750.00
	Audio/Visual Replacement/Upgrades	10	2.5	\$ 15,000.00	\$ 37,500.00	\$ 28,125.00	\$ 2,625.00
					\$ -		\$ -
	Subtotal Annual Replacement Budget						\$ 4,375.00
Total Annual Repair & Replacement Suggested Budget Allocation							\$ 301,347.08

CSI		Repair/Replac	Number of	Approximate	Approximate	Annual Inflation	Cost Amertized
Division	Repair and/or Replacement Category	ement Life	R&R Cycles	Total Cost per	Total Cost over	(3%/yr) over 25	over 25 years
		Cycle (yrs.)	over 25 years	cycle (\$)	25 yr cycle (\$)	years	(\$/yr)
	Estimate of Construction Costs (w/o soft costs)						\$ 21,227,402
	Annual repair and replacement budget expressed as a percentage of construction cost						1.42%
	Total repair and replacement investment over 25 years						\$ 7,533,677

CSI	Repair and/or Replacement Category	Repair/Replac ement Life Cycle (yrs.)	Number of R&R Cycles over 25 years	Approximate Total Cost per cycle (\$)	Approximate Total Cost over 25 yr cycle (\$)	Annual Inflation (2%/yr) over 25 years	Cost Amertized over 25 years (\$/yr)
310000	Division 31 - Sitework						
	Landscape Replenish/Replacement	10	2.5	\$ 15,000.00	\$ 37,500.00	\$ 18,750.00	\$ 2,250.00
	Turf Area Patch/Replace	5	5	\$ 10,000.00	\$ 50,000.00	\$ 25,000.00	\$ 3,000.00
	Paving Repairs	10	2.5	\$ 5,000.00	\$ 12,500.00	\$ 6,250.00	\$ 750.00
	Parking Lot Overlay Asphalt	20	1.25	\$ 150,000.00	\$ 187,500.00	\$ 93,750.00	\$ 11,250.00
	Stormwater, Sewr, Water Utility Repairs	15	1.67	\$ 20,000.00	\$ 33,333.33	\$ 16,666.67	\$ 2,000.00
	Irrigation Repairs	2	12.5	\$ 5,000.00	\$ 62,500.00	\$ 31,250.00	\$ 3,750.00
	Subtotal Annual Replacement Budget						\$ 23,000.00
030000	Division 3 - Concrete						
	No work anticipated	0	0	\$ -	\$ -	\$ -	\$ -
	Subtotal Annual Replacement Budget						\$ -
040000	Division 4 - Masonry						
042000	No Work Anticipated	0	0	\$ -	\$ -	\$ -	\$ -
	Subtotal Annual Replacement Budget						\$ -
050000	Division 5 - Metals						
	No work anticipated						\$ -
	Subtotal Annual Replacement Budget						\$ -
060000	Division 6- Wood & Plastics						
061000	Misc Rough Carpentry Repairs	10	2.5	\$ 6,000.00	\$ 15,000.00	\$ 7,500.00	\$ 900.00
064023	Millwork Misc Repairs / Selective Replacement	20	1.25	\$ 25,000.00	\$ 31,250.00	\$ 15,625.00	\$ 1,875.00
	Subtotal Annual Replacement Budget						\$ 2,775.00
070000	Division 7- Thermal & Moisture Protection						
074120	Roof Leaks/Repairs	5	5	\$ 2,500.00	\$ 12,500.00	\$ 6,250.00	\$ 750.00
074120	Re-Roof Flat Roofs	20	1.25	\$ 800,000.00	\$ 1,000,000.00	\$ 500,000.00	\$ 60,000.00
076200	Coping/Flashing Repairs	15	1.67	\$ 10,000.00	\$ 16,666.67	\$ 8,333.33	\$ 1,000.00
076200	Roof Drain Repairs/Replacement	20	1.25	\$ 25,000.00	\$ 31,250.00	\$ 15,625.00	\$ 1,875.00
	Subtotal Annual Replacement Budget						\$ 63,625.00
	Division 8- Doors and Windows						
081416	Wood Door Replacement	20	1.25	\$ 20,000.00	\$ 25,000.00	\$ 12,500.00	\$ 1,500.00

**Option 2
2% Escalation**

CSI Division	Repair and/or Replacement Category	Repair/Replac ement Life Cycle (yrs.)	Number of R&R Cycles over 25 years	Approximate Total Cost per cycle (\$)	Approximate Total Cost over 25 yr cycle (\$)	Annual Inflation (2%/yr) over 25 years	Cost Amertized over 25 years (\$/yr)
087000	Door Hardware / Lockset Repairs/Upgrades	5	5	\$ 2,500.00	\$ 12,500.00	\$ 6,250.00	\$ 750.00
083323	Overhead door Replace Operator	15	1.67	\$ 1,500.00	\$ 2,500.00	\$ 1,250.00	\$ 150.00
088000	Window break misc. replacement	5	5	\$ 2,500.00	\$ 12,500.00	\$ 6,250.00	\$ 750.00
Subtotal Annual Replacement Budget							\$ 3,150.00
Division 9- Finishes							
092900	Drywall Misc Patch and Repair	5	5	\$ 5,000.00	\$ 25,000.00	\$ 12,500.00	\$ 1,500.00
093000	Tile and Grout Misc Patch, Repair & Replaement	15	1.67	\$ 10,000.00	\$ 16,666.67	\$ 8,333.33	\$ 1,000.00
095123	Acoustic Ceilings Tile Misc Replacement	15	1.67	\$ 20,000.00	\$ 33,333.33	\$ 16,666.67	\$ 2,000.00
096519	Viny/VCT Tile Flooring Replacement	12	2.08	\$ 25,000.00	\$ 52,083.33	\$ 26,041.67	\$ 3,125.00
095123	Carpet Replacement	10	2.5	\$ 40,000.00	\$ 100,000.00	\$ 50,000.00	\$ 6,000.00
096725	Gym/Group Exer. Wood Floor Full Sand and Refinish	5	5	\$ 18,000.00	\$ 90,000.00	\$ 45,000.00	\$ 5,400.00
096725	Turf MAC Gym turf replacement	15	1.67	\$ 48,000.00	\$ 80,000.00	\$ 40,000.00	\$ 4,800.00
095123	Resilient Rubber Fitness Flooring Replacement	15	1.67	\$ 90,000.00	\$ 150,000.00	\$ 75,000.00	\$ 9,000.00
095123	Paint Touch-up	2	12.5	\$ 5,000.00	\$ 62,500.00	\$ 31,250.00	\$ 3,750.00
095123	Interior Repainting walls, Ceiling/Structure	10	2.5	\$ 77,250.00	\$ 193,125.00	\$ 96,562.50	\$ 11,587.50
Subtotal Annual Replacement Budget							\$ 48,162.50
Division 10- Specialties							
100000	Visual Display Boards, Replace	10	2.5	\$ 2,500.00	\$ 6,250.00	\$ 3,125.00	\$ 375.00
102239	Folding Panel Partitions				\$ -		\$ -
102800	Toilet Accessories, Assume 50% replacement	20	1.25	\$ 10,000.00	\$ 12,500.00	\$ 6,250.00	\$ 750.00
105113	Replace Lockers (Assume faces replaced)	25	1	\$ 36,000.00	\$ 36,000.00	\$ 18,000.00	\$ 2,160.00
Subtotal Annual Replacement Budget							\$ 3,285.00
Division 11- Equipment							
110000	Food Service Equipment, Replace Catering Kitchen Appl.	25	1	\$ 40,000.00	\$ 40,000.00	\$ 20,000.00	\$ 2,400.00
114400	Gymnasium Equipment (misc replacement budget)	20	1.25	\$ 25,000.00	\$ 31,250.00	\$ 15,625.00	\$ 1,875.00
116623	Fitness Equipment Scheduled Upgrades/Replacement	6	4.17	\$ 50,000.00	\$ 208,333.33	\$ 104,166.67	\$ 12,500.00
Subtotal Annual Replacement Budget							\$ 16,775.00
Division 12- Furnishings							
120000	Replace Building Entrance Mats	10	2.5	\$ 2,000.00	\$ 5,000.00	\$ 2,500.00	\$ 300.00
124813	Replace / Add Window Blinds	15	1.67	\$ 8,000.00	\$ 13,333.33	\$ 6,666.67	\$ 800.00
124910	Replace Building Furnishings	15	1.67	\$ 15,000.00	\$ 25,000.00	\$ 12,500.00	\$ 1,500.00
Subtotal Annual Replacement Budget							\$ 2,600.00

CSI	Repair and/or Replacement Category	Repair/Replacement Life Cycle (yrs.)	Number of R&R Cycles over 25 years	Approximate Total Cost per cycle (\$)	Approximate Total Cost over 25 yr cycle (\$)	Annual Inflation (2%/yr) over 25 years	Cost Amortized over 25 years (\$/yr)
130000	Division 13- Special Construction						
131146	Swimming Pool General Misc Repairs	2	12.5	\$ 10,000.00	\$ 125,000.00	\$ 62,500.00	\$ 7,500.00
131146	Swimming Pool Mechanical Repl (pumps, filters, controls)	25	1	\$ 120,000.00	\$ 120,000.00	\$ 60,000.00	\$ 7,200.00
131146	Swimming Pool Tile, Shell, Deck Repairs	15	1.67	\$ 20,000.00	\$ 33,333.33	\$ 16,666.67	\$ 2,000.00
	Swimming Pool re-diamond-brite pool finish	15	1.67	\$ 75,000.00	\$ 125,000.00	\$ 62,500.00	\$ 7,500.00
131146	Swimming Pool Play Feature Repair/Replacement	20	1.25	\$ 75,000.00	\$ 93,750.00	\$ 46,875.00	\$ 5,625.00
131146	Swimming Pool Maintenance Equipment Replacement	10	2.5	\$ 7,500.00	\$ 18,750.00	\$ 9,375.00	\$ 1,125.00
	Subtotal Annual Replacement Budget						\$ 30,950.00
220000	Division 22- Plumbing						
220000	Replace Water Heaters	20	1.25	\$ 25,000.00	\$ 31,250.00	\$ 15,625.00	\$ 1,875.00
220000	Replace Toilet Fixtures, Sinks, Hardware, DF	25	1.00	\$ 100,000.00	\$ 100,000.00	\$ 50,000.00	\$ 6,000.00
220000	Miscellaneous Plumbing Repairs	5	5	\$ 5,000.00	\$ 25,000.00	\$ 12,500.00	\$ 1,500.00
	Subtotal Annual Replacement Budget						\$ 9,375.00
230000	Division 23- HVAC						
230000	Miscellaneous HVAC Repairs	5	5	\$ 5,000.00	\$ 25,000.00	\$ 12,500.00	\$ 1,500.00
230000	Replace Rooftop Units	25	1	\$ 450,000.00	\$ 450,000.00	\$ 225,000.00	\$ 27,000.00
230000	Update DDC Controls (assume 30% R&R)	25	1	\$ 35,000.00	\$ 35,000.00	\$ 17,500.00	\$ 2,100.00
	Subtotal Annual Replacement Budget						\$ 30,600.00
260000	Division 26- Electrical						
260000	Miscellaneous Electrical Repairs	10	2.5	\$ 5,000.00	\$ 12,500.00	\$ 6,250.00	\$ 750.00
260000	Replace Lighting Fixtures (Assume 50% Replacement)	25	1.00	\$ 300,000.00	\$ 300,000.00	\$ 150,000.00	\$ 18,000.00
260000	Update Lighting Controls (assume 30% R&R)	15	1.67	\$ 15,000.00	\$ 25,000.00	\$ 12,500.00	\$ 1,500.00
	Subtotal Annual Replacement Budget						\$ 20,250.00
27000	Division 27- Tele / Data						
270000	Telephone & Data Misc Upgrades	10	2.5	\$ 10,000.00	\$ 25,000.00	\$ 12,500.00	\$ 1,500.00
	Audio/Visual Replacement/Upgrades	10	2.5	\$ 15,000.00	\$ 37,500.00	\$ 18,750.00	\$ 2,250.00
					\$ -		\$ -
	Subtotal Annual Replacement Budget						\$ 3,750.00
Total Annual Repair & Replacement Suggested Budget Allocation							\$ 258,297.50

Louisville Recreation Senior Center and Aquatics Study
Annual Repair and Replacement Budget Summary
June 9, 2016

Option 2
2% Escalation

CSI	Repair and/or Replacement Category	Repair/Replacement Life Cycle (yrs.)	Number of R&R Cycles over 25 years	Approximate Total Cost per cycle (\$)	Approximate Total Cost over 25 yr cycle (\$)	Annual Inflation (2%/yr) over 25 years	Cost Amortized over 25 years (\$/yr)
	Estimate of Construction Costs (w/o soft costs)						\$ 21,227,402
	Annual repair and replacement budget expressed as a percentage of construction cost						1.22%
	Total repair and replacement investment over 25 years						\$ 6,457,438

Louisville Recreation Senior Center and Aquatics Study
Annual Repair and Replacement Budget Summary
June 9, 2016

Option 3
No Escalation

CSI	Repair and/or Replacement Category	Repair/Replace ment Life Cycle (yrs.)	Number of R&R Cycles over 25 years	Approximate Total Cost per cycle (\$)	Approximate Total Cost over 25 yr cycle (\$)	Cost Amertized over 25 years (\$/yr)
310000	Division 31 - Sitework					
	Landscape Replenish/Replacement	10	2.5	\$ 15,000.00	\$ 37,500.00	\$ 1,500.00
	Turf Area Patch/Replace	5	5	\$ 10,000.00	\$ 50,000.00	\$ 2,000.00
	Paving Repairs	10	2.5	\$ 5,000.00	\$ 12,500.00	\$ 500.00
	Parking Lot Overlay Asphalt	20	1.25	\$ 150,000.00	\$ 187,500.00	\$ 7,500.00
	Stormwater, Sewr, Water Utility Repairs	15	1.67	\$ 20,000.00	\$ 33,333.33	\$ 1,333.33
	Irrigation Repairs	2	12.5	\$ 5,000.00	\$ 62,500.00	\$ 2,500.00
	Subtotal Annual Replacement Budget					\$ 15,333.33
030000	Division 3 - Concrete					
	No work anticipated	0	0	\$ -	\$ -	
	Subtotal Annual Replacement Budget					\$ -
040000	Division 4 - Masonry					
042000	No Work Anticipated	0	0	\$ -	\$ -	\$ -
	Subtotal Annual Replacement Budget					\$ -
050000	Division 5 - Metals					
	No work anticipated					
	Subtotal Annual Replacement Budget					\$ -
060000	Division 6- Wood & Plastics					
061000	Misc Rough Carpentry Repairs	10	2.5	\$ 6,000.00	\$ 15,000.00	\$ 600.00
064023	Millwork Misc Repairs / Selective Replacement	20	1.25	\$ 25,000.00	\$ 31,250.00	\$ 1,250.00
	Subtotal Annual Replacement Budget					\$ 1,850.00
070000	Division 7- Thermal & Moisture Protection					
074120	Roof Leaks/Repairs	5	5	\$ 2,500.00	\$ 12,500.00	\$ 500.00
074120	Re-Roof Flat Roofs	20	1.25	\$ 800,000.00	\$ 1,000,000.00	\$ 40,000.00
076200	Coping/Flashing Repairs	15	1.67	\$ 10,000.00	\$ 16,666.67	\$ 666.67
076200	Roof Drain Repairs/Replacement	20	1.25	\$ 25,000.00	\$ 31,250.00	\$ 1,250.00

Louisville Recreation Senior Center and Aquatics Study
Annual Repair and Replacement Budget Summary
June 9, 2016

**Option 3
No Escalation**

CSI		Repair/Replace ment Life Cycle (yrs.)	Number of R&R Cycles over 25 years	Approximate Total Cost per cycle (\$)	Approximate Total Cost over 25 yr cycle (\$)	Cost Amertized over 25 years (\$/yr)
Division	Repair and/or Replacement Category					
	Subtotal Annual Replacement Budget					\$ 42,416.67
Division 8- Doors and Windows						
081416	Wood Door Replacement	20	1.25	\$ 20,000.00	\$ 25,000.00	\$ 1,000.00
087000	Door Hardware / Lockset Repairs/Upgrades	5	5	\$ 2,500.00	\$ 12,500.00	\$ 500.00
083323	Overhead door Replace Operator	15	1.67	\$ 1,500.00	\$ 2,500.00	\$ 100.00
088000	Window break misc. replacement	5	5	\$ 2,500.00	\$ 12,500.00	\$ 500.00
	Subtotal Annual Replacement Budget					\$ 2,100.00
Division 9- Finishes						
092900	Drywall Misc Patch and Repair	5	5	\$ 5,000.00	\$ 25,000.00	\$ 1,000.00
093000	Tile and Grout Misc Patch, Repair & Replaement	15	1.67	\$ 10,000.00	\$ 16,666.67	\$ 666.67
095123	Acoustic Ceilings Tile Misc Replacement	15	1.67	\$ 20,000.00	\$ 33,333.33	\$ 1,333.33
096519	Viny/VCT Tile Flooring Replacement	12	2.08	\$ 25,000.00	\$ 52,083.33	\$ 2,083.33
095123	Carpet Replacement	10	2.5	\$ 40,000.00	\$ 100,000.00	\$ 4,000.00
096725	Gym/Group Exer. Wood Floor Full Sand and Refinish	5	5	\$ 18,000.00	\$ 90,000.00	\$ 3,600.00
096725	Turf MAC Gym turf replacement	15	1.67	\$ 48,000.00	\$ 80,000.00	\$ 3,200.00
095123	Resilient Rubber Fitness Flooring Replacement	15	1.67	\$ 90,000.00	\$ 150,000.00	\$ 6,000.00
095123	Paint Touch-up	2	12.5	\$ 5,000.00	\$ 62,500.00	\$ 2,500.00
095123	Interior Repainting walls, Ceiling/Structure	10	2.5	\$ 77,250.00	\$ 193,125.00	\$ 7,725.00
	Subtotal Annual Replacement Budget					\$ 32,108.33
100000	Division 10- Specialties					
101100	Visual Display Boards, Replace	10	2.5	\$ 2,500.00	\$ 6,250.00	\$ 250.00
102239	Folding Panel Partitions				\$ -	\$ -
102800	Toilet Accessories, Assume 50% replacement	20	1.25	\$ 10,000.00	\$ 12,500.00	\$ 500.00
105113	Replace Lockers (Assume faces replaced)	25	1	\$ 36,000.00	\$ 36,000.00	\$ 1,440.00
	Subtotal Annual Replacement Budget					\$ 2,190.00
110000	Division 11- Equipment					
114400	Food Service Equipment, Replace Catering Kitchen Appl.	25	1	\$ 40,000.00	\$ 40,000.00	\$ 1,600.00
116623	Gymnasium Equipment (misc replacement budget)	20	1.25	\$ 25,000.00	\$ 31,250.00	\$ 1,250.00

Louisville Recreation Senior Center and Aquatics Study
Annual Repair and Replacement Budget Summary
June 9, 2016

Option 3
No Escalation

CSI	Repair and/or Replacement Category	Repair/Replace ment Life Cycle (yrs.)	Number of R&R Cycles over 25 years	Approximate Total Cost per cycle (\$)	Approximate Total Cost over 25 yr cycle (\$)	Cost Amertized over 25 years (\$/yr)
Division						
	Fitness Equipment Scheduled Upgrades/Replacement	6	4.17	\$ 50,000.00	\$ 208,333.33	\$ 8,333.33
	Subtotal Annual Replacement Budget					\$ 11,183.33
120000	Division 12- Furnishings					
124813	Replace Building Entrance Mats	10	2.5	\$ 2,000.00	\$ 5,000.00	\$ 200.00
124910	Replace / Add Window Blinds	15	1.67	\$ 8,000.00	\$ 13,333.33	\$ 533.33
	Replace Building Furnishings	15	1.67	\$ 15,000.00	\$ 25,000.00	\$ 1,000.00
	Subtotal Annual Replacement Budget					\$ 1,733.33
130000	Division 13- Special Construction					
131146	Swimming Pool General Misc Repairs	2	12.5	\$ 10,000.00	\$ 125,000.00	\$ 5,000.00
131146	Swimming Pool Mechanical Repl (pumps, filters, controls)	25	1	\$ 120,000.00	\$ 120,000.00	\$ 4,800.00
131146	Swimming Pool Tile, Shell, Deck Repairs	15	1.67	\$ 20,000.00	\$ 33,333.33	\$ 1,333.33
	Swimming Pool re-diamond-brite pool finish	15	1.67	\$ 75,000.00	\$ 125,000.00	\$ 5,000.00
131146	Swimming Pool Play Feature Repair/Replacement	20	1.25	\$ 75,000.00	\$ 93,750.00	\$ 3,750.00
131146	Swimming Pool Maintenance Equipment Replacement	10	2.5	\$ 7,500.00	\$ 18,750.00	\$ 750.00
	Subtotal Annual Replacement Budget					\$ 20,633.33
220000	Division 22- Plumbing					
220000	Replace Water Heaters	20	1.25	\$ 25,000.00	\$ 31,250.00	\$ 1,250.00
220000	Replace Toilet Fixtures, Sinks, Hardware, DF	25	1.00	\$ 100,000.00	\$ 100,000.00	\$ 4,000.00
220000	Miscellaneous Plumbing Repairs	5	5	\$ 5,000.00	\$ 25,000.00	\$ 1,000.00
	Subtotal Annual Replacement Budget					\$ 6,250.00
230000	Division 23- HVAC					
230000	Miscellaneous HVAC Repairs	5	5	\$ 5,000.00	\$ 25,000.00	\$ 1,000.00
230000	Replace Rooftop Units	25	1	\$ 450,000.00	\$ 450,000.00	\$ 18,000.00
230000	Update DDC Controls (assume 30% R&R)	25	1	\$ 35,000.00	\$ 35,000.00	\$ 1,400.00
	Subtotal Annual Replacement Budget					\$ 20,400.00
260000	Division 26- Electrical					
260000	Miscellaneous Electrical Repairs	10	2.5	\$ 5,000.00	\$ 12,500.00	\$ 500.00

Louisville Recreation Senior Center and Aquatics Study
 Annual Repair and Replacement Budget Summary
 June 9, 2016

**Option 3
 No Escalation**

CSI Division	Repair and/or Replacement Category	Repair/Replace ment Life Cycle (yrs.)	Number of R&R Cycles over 25 years	Approximate Total Cost per cycle (\$)	Approximate Total Cost over 25 yr cycle (\$)	Cost Amertized over 25 years (\$/yr)
260000	Replace Lighting Fixtures (Assume 50% Replacement)	25	1.00	\$ 300,000.00	\$ 300,000.00	\$ 12,000.00
260000	Update Lighting Controls (assume 30% R&R)	15	1.67	\$ 15,000.00	\$ 25,000.00	\$ 1,000.00
Subtotal Annual Replacement Budget						\$ 13,500.00

27000	Division 27- Tele / Data					
270000	Telephone & Data Misc Upgrades	10	2.5	\$ 10,000.00	\$ 25,000.00	\$ 1,000.00
	Audio/Visual Replacement/Upgrades	10	2.5	\$ 15,000.00	\$ 37,500.00	\$ 1,500.00
					\$ -	\$ -
Subtotal Annual Replacement Budget						\$ 2,500.00

Total Annual Repair & Replacement Suggested Budget Allocation **\$ 172,198.33**

Estimate of Construction Costs (w/o soft costs) \$ 21,227,402
 Annual repair and replacement budget expressed as a percentage of construction cost 0.81%
 Total repair and replacement investment over 25 years \$ 4,304,958

SUBJECT: DISCUSSION ON “TURNBACK”

DATE: APRIL 16, 2018

PRESENTED BY: KEVIN WATSON, FINANCE DIRECTOR

SUMMARY:

“Turnback” is the term used by City staff to describe the positive variance between actual annual expenditures and the annual expenditure budget. At the end of the fiscal year, the amount of unspent budget is “turned back” to the fund’s reserves for future appropriation. The Committee requested a discussion on the policies and processes related to the annual turnback.

To provide some background, the attached Amount Under/(Over) Budget Schedule presents a history of General Fund turnback by for 2000 through 2015. The ending percent-of-budget is presented at the bottom of the schedule and is highlighted in yellow. The average percent-of-budget for 2000 through 2015 is 96.9%. This equates to a turnback percentage of 3.1% and was the basis for using a standard 3% General Fund turnback amount in the City’s Long-Term Financial Plan.

Beginning in 2016, staff began using a 3.5% annual turnback percentage for the General Fund. The actual General Fund turnback percentage for 2016 was 2.6%. The preliminary unaudited General Fund turnback for 2017 is 9%. Staff believes the reasons for the large 2017 turnback include staff’s unfamiliarity with the new Program/Sub-Program structure, lack of expenditure history under the new structure, and changes in the budgeting process that occurred with the 2017-2018 biennial budget.

Although the majority of focus on turnback has been with regards to the General Fund, staff has also reported turnback percentages on other major funds. However, since these other funds have large amounts of capital projects, their turnback percentage was not used as an operational measure.

**City of Louisville, Colorado
General Fund
Amount Under/(Over) Budget
2000 - 2015**

Department	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Central Charges	(3,848)	(21,205)	6,823	(24,734)	(24,361)	53,701	67,251	50,985	42,479	31,681	(5,000)	14,645	6,639	(7,793)	34,189	2,699
Legislative - City Council	(27,363)	5,835	114,721	(41,992)	(65,325)	(51,716)	(13,917)	9,212	29,994	(1,063)	(1,970)	4,610	6,966	23,211	24,677	(5,748)
Legislative - Events	(18,723)	(17,130)	(7,385)	(8,574)	(17,709)	(12,251)	(11,410)	(14,446)	(14,848)	(13,708)	(3,154)	(1,576)	(2,941)	(10,493)	19,508	6,250
Municipal Court	172	13,203	7,767	12,758	5,710	7,300	1,828	3,436	28,969	12,520	(3,462)	(4,579)	10,647	6,327	14,084	2,990
City Manager - Administration	3,934	(8,877)	(9,515)	(1,765)	(3,553)	(5,215)	25,957	(53,484)	67,553	26,200	29,341	17,458	12,353	9,982	(21,664)	16,359
City Manager - Cable Television	7,071	(2,621)	17,940	(1,666)	(2,601)	(4,566)	(3,919)	10,449	12,355	1,784	(1,873)	2,646	2,026	2,066	597	(2,422)
City Manager - ADA Compliance	(511)	1,822	9,196	115	(84)	(583)	115	6,177	6,054	6,283	(244)	(75)	(132)	(460)	(72)	(1,692)
City Manager - Community Facilitation	4,308	20,786	3,775	(22,333)	(3,277)	5,415	(174)	(6,622)	(3,853)	2,307	7,027	6,519	5,915	8,348	68,962	8,027
City Manager - Economic Development						45,075	37,565	57,603	800	13,728	7,032	(3,472)	1,842	(11,620)	25,284	
City Attorney	(25,296)	17,253	15,679	11,352	(6,424)	(69,879)	(21,700)	(13,996)	(5,682)	17,133	(34,486)	(2,638)	19,980	4,259	(46,866)	(120,582)
City Clerk	1,136	(12,184)	(9,059)	7,396	(2,288)	14,609	(13,162)	1,877	(29,739)	53,488	24,806	39,809	18,960	32,330	67,331	67,688
Human Resources	(63,838)	(9,212)	32,604	8,338	12,769	15,191	(31)	838	(36,716)	21,921	4,915	11,895	13,630	35,948	(12,330)	(59,222)
Information Technology	11,030	(30,680)	(23,964)	17,277	5,959	12,810	1,270	7,904	40,539	70,977	9,939	1,507	(292)	104,225	163,655	65,914
Finance & Accounting	17,211	17,918	54,684	(2,956)	15,898	(4,502)	12,766	8,775	(16,415)	19,670	28,780	7,462	(10,176)	8,821	1,985	3,024
Sales Tax Administration			(53,726)	6,617	1,716	6,591	1,641	2,583	4,832	(3,888)	6,991	1,026	6,732	46,617	83,297	70,423
Police Administration	4,082	16,471	4,134	6,278	22,252	(11,573)	(2,213)	(2,568)	1,370	3,836	15,891	6,998	17,825	10,652	(2,347)	4,878
Patrol/Investigations	71,044	14,181	(31,996)	22,876	38,239	187,742	69,963	15,084	43,634	137,774	153,356	(28,740)	5,628	(53,859)	77,288	403,849
Youth Services	(11,863)	4,349	5,438	39,510	(204)	1,244	60,408	6,977	2,139	15,804	(9,987)	(20,144)	(17,279)			
Code Enforcement	(5,766)	6,679	(479)	(1,376)	(5,148)	(2,845)	7,630	4,173	517	4,743	3,882	4,329	6,231	4,803	6,346	3,435
Public Works Administration	8,607	(10,913)	(11,904)	(1,250)	(13,304)	(7,051)	5,131	6,293	(6,435)	(14,092)	16,676	(9,721)	(9,963)	9,192	12,622	22,043
Engineering	18,355	3,591	6,485	1,891	10,204	9,799	31,968	27,623	26,123	9,973	(2,778)	381	4,017	6,905	(5,519)	(26,378)
Streets Maintenance	(5,163)	9,215	(54,035)	(50,580)	(129,205)	94,438	60,609	(105,190)	(82,231)	(65,559)	25,239	92,787	(23,388)	(1,521)	78,036	22,411
Storm Drainage	840	1,867	1,467	2,641	9,983	7,207	8,834									
Snow & Ice Removal	(10,057)	(3,348)	(22,500)	7,853	(14)	10,457	10,989	(13,263)	11,865	11,784	24,491	13,996	20,980	26,705	6,659	7,371
Sign Maintenance	(2,016)	42,846	3,484	86	(3,387)	487	(8,683)	(631)	8,280	1,784	1,868	(3,326)	(6,312)	(672)	9,943	14,255
Buidling Maintenance	(30,027)	16,744	32,039	(2,588)	(5,102)	16,246	21,000	8,018	(8,378)	24,138	(14,695)	21,348	18,559	18,210	26,933	6,854
Recreation Center Building Maintenance	5,486	13,950	33,174	(3,128)	30,683	(15,405)	28,608	31,617	(10,971)	9,127	6,802	52,174	34,751	26,254	22,258	23,925
Police Department Building Maintenance					(299)	(8,936)	(14,094)	9,249	16,924	(13,639)	9,520	9,670	12,185	10,109	37,132	59,070
Library Building Maintenance							21,135	30,283	19,264	10,893	(4,454)	4,415	5,144	1,080	33,501	37,663
City Services Facility Building Maintenance																(4,905)
Fleet Maintenance	22,874	(7,625)	(4,076)	(17,346)	(23,325)	(4,394)	7,169	(556)	2,381	2,736	6,507	5,226	(1,433)	11,090	(801)	6,180
Planning Administration	21,289	23,886	(42,307)	18,083	(121,005)	2,538	35,586	26,613	26,141	8,363	(46,892)	295	(10,918)	4,594	212,210	74,302
Community Planning	(11,871)	3,146	(693)	2,864	21,221	159,598	(139,737)	16,822	(2,706)	12,472	13,010	12,002	34,518	108,049		
Building Safety	(59,169)	24,272	28,626	23,649	20,614	36,653	31,083	(13,663)	(2,083)	(643)	10,809	33,635	(39,338)	70,494	63,772	51,103
Library Services	12,728	(419)	(792)	16,513	(5,030)	(12,463)	17,757	24,102	101,907	101,705	41,369	38,878	50,714	72,577	33,140	34,824
Museum Services											(854)	938	4,213	2,636	7,395	(1,907)
Parks & Recreation Administration	27,635	41,833	54,090	(7,757)	(9,789)	26,997	(1,809)	(2,034)	13,745	1,504	3,577	5,537	(3,564)	(6,082)	(8,121)	11,772
Recreation & Senior Services Administration			(4,308)	16,915	3,168	11,165	8,188	1,616	71,086	2,662	3,336	3,128	1,470	1,133	(222)	(1,048)
Recreation Center Management	6,381	93,545	(42,599)	27,129	155	31,640	37,231	34,181	(16,306)	(4,825)	8,484	(5,571)	6,123	(15,920)	(4,222)	(20,458)
Recreation Center Aquatics	(23,776)	(31,269)	(25,837)	(32,477)	1,303	23,821	38,255	1,363	(5,323)	(110)	(9,207)	5,097	34,911	13,070	2,721	9,500
Total Fitness & Wellness	(9,711)	1,186	15,756	5,157	47	7,230	13,542	5,500	5,924	(2,462)	458	(11,081)	3,690	(13,077)	(6,605)	(19,721)
Youth Activities	267	39,581	39,907	36,377	11,911	17,121	11,046	(6,220)	(30,038)	13,493	23,475	10,977	12,697	14,245	19,338	2,596
Memory Square Pool	14,712	8,070	7,485	(16,320)	2,994	(923)	6,700	8,852	13,725	13,134	15,530	(1,553)	(2,917)	3,317	(5,653)	(18,599)
Youth Sports	50,654	6,162	32,410	8,937	6,731	10,506	2,214	40,699	21,585	10,154	(847)	(12,761)	1,498	(414)	(10,942)	(8,546)
Adult Sports	2,469	(9,313)	5,636	3,412	12,768	5,390	7,343	10,035	5,339	3,472	1,290	1,117	1,180	2,459	2,996	2,636
Seniors	48,599	32,620	135,087	78,213	88,363	19,042	3,926	(3,887)	(11,378)	(19,409)	(1,065)	(7,543)	(6,441)	(4,382)	(8,677)	(26,002)
Gymnastics	18,703	14,664	19,066	17,089	4,251	29,502	22,837	28,900	42,756	16,722						
Arts & Humanities Council	479	1,500	(663)	8,030	7,946	9,347	7,891	(641)	(1,394)	1,172	(1,130)	144	(413)	(699)	1,607	11,046
Senior Meals				18,292	19,315	8,624	9,760	6,297	(6,624)	(6,819)	(3,906)	(1,821)	(5,815)	1,417	1,534	(3,829)
Nite at the Rec				(28,198)	9,120	13,081	13,034	410	(21)	20,228	14,793	5,729	7,948	5,053	4,009	13,723
Land Management - Open Space				16,588	2,235	-	(22)									
Parks	31,918	2,290	34,948	12,704	(14,845)	(3,703)	15,224	(37,848)	(26,015)	25,578	22,331	11,002	3,599	(4,736)		
Cemetery	31,905	4,479	4,406	(3,523)	(68)	5,414	8,474	13,835	(12,908)							
Forestry	12,980	15,758	6,271	51,156	5,164	31,285	6,508	4,226	48,336	(29,852)	1,919	13,225	13,540	5,698	13,004	(1,854)
Athletic Field Maintenance	6,904	6,504	10,828	(13,031)	(11,928)	(36,613)	(19,502)	(11,777)	36,815	3,753	7,909	4,326	681	1,813	11,315	(9,911)
Transfers	33,866	13,154	2,103	-	(28,996)	236,486	-	-	-	0	0	0	-	-	125,359	295,234
Total General Fund	188,636	374,562	400,188	224,504	(126,350)	876,061	535,570	215,746	480,169	555,696	412,045	360,834	261,156	595,421	1,141,740	1,054,504
Percent of Budget	98.4%	96.9%	96.7%	98.2%	101.0%	93.6%	96.0%	98.4%	96.8%	96.0%	96.9%	97.3%	98.5%	96.0%	94.8%	94.4%

SUBJECT: DISCUSSION OF FINANCIAL POLICIES

DATE: APRIL 16, 2018

PRESENTED BY: KEVIN WATSON, FINANCE DIRECTOR

SUMMARY:

The City of Louisville's original Fiscal Policies were adopted in 1984 and were updated intermittently until 1997. In 2015, staff proposed updating and modernizing the policies with a complete re-write. Staff worked closely with the Finance Committee and on December 15, 2015, the City Council formally approved the new Financial Policies by Resolution 92, Series 2015.

The policies include an Introduction section and the following policy sections:

1. General Policies
2. Reserve Policies
3. Debt Policies
4. Revenue Policies
5. Operating Budget Policies
6. Investment Policies
7. Capital Asset Management Policies
8. Accounting, Auditing, and Financial Reporting Policies

The process for developing the policies included a review of Government Finance Officers Association's (GFOA's) Best Practices and other GFOA literature on each subject matter. It also included a review of GFOA's sample policies in each area, which included reviews of actual policies from various counties and municipalities throughout the country. Staff attempted to include all relevant policy elements deemed "recommended best practices" by the GFOA.

Prior to Council adoption, the Debt Policies were reviewed by the City's Financial Advisor and the Investment Policies were reviewed by the City's Investment Advisor. Standard and Poor's reviewed the City's Financial Policies during their rating review of the 2017 Recreation Center General Obligation Bond issue and provided very positive comments.

Future policy sections under consideration include long-term financial planning, internal controls, risk management, and an update to the current procurement policy.

Attached to this communication is a copy of the current Financial Policies. Below is a brief summary of some policy elements within each policy section.

Introduction

- Contains a list of definitions related to all policy sections.

General Policies

- Requires a set of financial indicators to be calculated and disclosed in the City's budget documents.

Reserve Policies

- Defines both minimum and targeted reserve levels for the General Fund and the Open Space & Parks Fund.
- Defines minimum reserve levels for the Cemetery Fund, which receives an ongoing subsidy transfer from the General Fund, and the three Enterprise Funds that comprise the Combined Utility Fund.

Debt Policies

- Discusses factors which may favor "pay-as-you-go" financing and those that may favor "pay-as-you-use" financing.
- Discusses and recommends general debt financing structures and methods of sale.
- Does not apply to debt issued by the Urban Revitalization District.

Revenue Policies

- States that the City will value diversification, stabilization, and equity within its revenue structure.
- Formalizes the desire to fund all recurring expenditures with recurring revenue and that non-recurring revenue should be used to fund only non-recurring, one-time expenditures.
- Sets broad guidelines for setting user fees and charges.
- Allows setting fees for children's recreational programs and senior services at levels below the full cost of providing those services.
- Allows setting fees for non-residents at a higher level than those for residents.

Operating Budget Policies

- Defines the City's "budgetary basis" of accounting.
- Formalizes the City's legal level of budgetary control at the fund level. In other words, expenditures do not legally exceed appropriations until they do so at the fund level, as opposed to at the department or line item level. Therefore, budget amendments are not legally necessary until appropriations at the fund level are being exceeded.

SUBJECT: DISCUSSION OF FINANCIAL POLICIES**DATE: APRIL 16, 2018****PAGE 3 OF 3**

- Defines “balanced budget” and states the City’s intent to also have a *structurally* balance budget.
- Requires a Capital Improvement Plan and a Long-Term Financial Plan to be presented at the time of budget development.

Investment Policies

- These are the same policies (just reformatted) that were approved by Council in 2012. No changes were made on December 15, 2015.

Capital Asset Management Policies

- Broadly defines the Five-Year Capital Improvement Plan (C-I-P) process.
- Defines and requires a “balanced” C-I-P.
- States the City’s intent to preserve existing infrastructure before allocating resources to new capital projects.

Accounting, Auditing, and Financial Reporting Policies

- Officially designates the City’s Finance Committee as the City’s Audit Committee.
- Discusses the City’s internal control structure and the COSO framework.
- Sets the City’s capitalization threshold.
- Grants authorization to the Finance Committee, City Manager, and Finance Director regarding “write-offs” of bad debt.

The Finance Committee has requested a review of the current policies with the goal of developing a list of those that need to be addressed and possibly amended. Specifically, the Committee has expressed interest in reviewing the reserve policies, golf course equipment replacement, and fees/funding structure for the Recreation Center.

At a minimum, staff recommends changes to the Reserve Policies, Section 2.2. At the October 10, 2017 Special Meeting, City Council discussed the need for the Open Space & Parks Fund to receive recurring transfers from the General Fund to help fund its ongoing operations and its capital improvements plan. Council directed that this recurring transfer, beginning in 2018, be calculated using the following formula:

The 2007 amount funded by the General Fund for Parks Administration & Operations inflated to 2018 using the Consumer Price Index (CPI), All Urban Consumers, Not Seasonally Adjusted, for the Denver, Boulder, and Greeley area.

The intent is that this recurring transfer will be recalculated annually and will keep the Open Space & Parks Fund reserves in compliance with the adopted policy on *minimum* fund balance. The Council also discussed changing the *targeted* fund balance, but did not reach a consensus at the October 10, 2017 meeting. Staff recommends that consideration be given to removing the *targeted* fund balance policy for the Open Space & Parks Fund.

Introduction

The City of Louisville is an organization charged with providing a wide range of services that are supported by a wide range of revenue sources. The City's Financial Policies have been established to guide the City in providing these services in the most efficient way possible within the bounds of available revenue.

Financial policies are central to a strategic, long-term approach to financial management and are intended to serve as a blueprint to achieve the financial stability required to accomplish the City's goals and objectives. More specifically, the intent of adopting a written set of financial policies is to institutionalize good financial management, clarify strategic intent for financial management, define certain boundaries and limits on actions that staff may take, support good bond ratings, promote long-term and strategic thinking, manage risks to financial condition, and comply with established best practices in public management.

The City's Financial Policies have been written in relatively broad terms as guidelines for financial management decisions. These policies should not be confused with administrative statements of operating procedure, which cover the detailed steps needed to accomplish business processes.

The City's Financial Policies shall be adopted by resolution of the City Council. The policies shall be reviewed annually by management and any modifications made thereto must also be approved by resolution of the City Council.

Definitions

- *Advanced Refunding* – a refunding in which the outstanding bonds are callable and remain outstanding for a period of more than 90 days after the issuance of the refunding bonds. Proceeds from the sale of the refunding bonds are used to purchase permissible legal securities, which are deposited into an escrow account.
- *Agencies* – federal agency securities and/or Government-sponsored enterprises.
- *Arbitrage* – the difference between the interest paid on the tax-exempt securities and the interest earned by investing the proceeds in higher-yielding taxable securities. The Internal Revenue Service regulates arbitrage on the proceeds from the issuance of municipal securities.
- *Bankers' Acceptance* – a draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.
- *Broker* – brings buyers and sellers together for a commission.

- *Capital Budget* – the first year of the Five-Year Capital Improvement Plan. These amounts are automatically included in the annual budget process.
- *Capital Improvement Plan (C-I-P)* – a plan that describes the capital projects and associated funding sources the City intends to undertake in the next fiscal year plus four additional future years.
- *Collateral* – Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies (Public Deposit Protection Act; CRS 11-10.5-101 et seq.)
- *Current Refunding* – a refunding in which the outstanding bonds are retired within 90 days after the new bonds are sold.
- *Competitive Bond Sale* – bonds are marketed to a wide audience of investment banking (underwriter) firms. Sealed bids are submitted at a specific date and time and the underwriter is selected based on its bid for the City's securities.
- *Dealer* – as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.
- *Delivery-versus-Payment* – delivery of securities with an exchange of money for the securities. Delivery-versus-receipt is delivery of securities with an exchange of a signed receipt for the securities.
- *Full Accrual Basis of Accounting* – under this basis of accounting, revenue is recognized when earned and expenses are recognized when the liability is incurred.
- *Fund* – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying out specific activities or attaining certain objectives.
- *Fund Balance* – the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in a governmental fund.
 - *Non-spendable Fund Balance* – fund balance that is inherently non-spendable, such as the long-term portion of loans receivable, the principal of an endowment, and inventories.
 - *Restricted Fund Balance* – fund balance that has externally enforceable limitations on its use, imposed by parties such as creditors, grantors, or laws and regulations of other governments.
 - *Committed Fund Balance* – fund balance with limitations imposed by the government itself at its highest level of decision making. For example, for the City of Louisville, this would be limitations imposed on fund balance by the Council through an ordinance or resolution.

- *Assigned Fund Balance* – fund balance that is earmarked for an intended use at either the highest level of decision making or by a body or an official designated for that purpose.
- *Unassigned Fund Balance* – all fund balances that are left after considering the other four categories. Use is the least restricted in this category of fund balance.
- *Unrestricted Fund Balance* – a category of fund balance that comprises committed fund balance, assigned fund balance, and unassigned fund balance. Unrestricted fund balance is, therefore, unconstrained or the constraints are self-imposed, so they could be lifted in order to make fund balances available for other purposes.
- *General Fund Operating Expenditures* – as used in the financial indicators, this term refers to total General Fund expenditures, less non-recurring interfund transfers-out.
- *General Fund Operating Revenue* – as used in the financial indicators, this term refers to total General Fund revenue, less other financing sources (such as sales of assets) and interfund transfers-in.
- *General Fund Recurring Expenditures* – as used in the financial indicators, this term refers to total General Fund expenditures, less non-recurring interfund transfers-out.
- *General Fund Recurring Revenue* – as used in the financial indicators, this term refers to total General Fund revenue, less non-recurring building-related revenue, non-recurring and non-operational grants, other financing sources, and interfund transfers-in.
- *General Fund Sales Tax Revenue* – as used in the financial indicators, this term refers to total sales tax revenue less any sales tax rebates due to Business Assistance Packages.
- *General Obligation Bonds* – bonds backed by the “full faith and credit” of the City. Bondholders have the authority to compel the City to use its taxing power, or to use other revenue sources, to generate the revenue necessary to repay the bonds. General obligation bonds are subject to the City’s debt limitation and voter approval is required.
- *Liquidity* – refers to the ease in which an asset can be converted into cash without a substantial loss of value.
- *Modified Accrual Basis of Accounting* – under this basis of accounting, revenue is recognized when it become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when they are expected to draw on current spendable resources.
- *Negotiated Bond Sale* – the City selects the underwriter in advance of the bond sale. The Financial Advisor and City staff work with the underwriter to bring the issue to the market and negotiate all rates and terms of the sale.

- *Open Space & Parks Fund Targeted Fund Balance* – as used in the financial indicators, this term refers to 15% of current operating expenditures plus an amount sufficient to cover the City's share of the total projected cost of acquiring the three highest priority candidate open space properties
- *Private Bond Placement* – the City sells its bonds to a limited number of sophisticated investors, and not the general public.
- *Program* – A set of activities, operations, or organizational units designed and directed to accomplish specific service outcomes or objectives for a defined customer.
- *Refunding* – refinancing an outstanding bond issue by issuing new bonds.
- *Revenue Bonds* – bonds secured by revenue generated by user fees or by other non-ad valorem revenue sources typically generated by the project being financed. Only the specific revenue source is pledged for the bond repayment. No taxing power or General fund pledge is provided as security. Revenue bonds are not subject to the City's debt limitation and voter approval is not required.
- *TABOR* – the Taxpayer Bill of Rights amendment to the Colorado Constitution and other Colorado law and court decisions.
- *Treasuries* – securities issued by the U.S. Treasury to finance the national debt. Treasury Bills are non-interest bearing discount securities that mature in one year or less. Treasury Notes are coupon bearing securities having initial maturities of two to ten years. Treasury Bonds are coupon-bearing securities having initial maturities of more than ten years.
- *Underwriter* – a dealer that purchases new issues of municipal securities from the issuer and resells them to investors. The difference between the price at which the bonds are bought and the price at which they are offered to investors is the underwriter's discount.
- *Utility Fund Budgetary Basis Expenses* – as used in the financial indicators, this term refers all expenses under the City's budgetary basis of accounting, less capital outlay and interfund transfers-out.
- *Working Capital* – current assets less current liabilities. Used as a measure of *reserves* in proprietary funds. Proprietary funds, unlike governmental funds, report both capital assets and long-term debt, even though neither is directly relevant to near-term financing. Therefore, the difference between proprietary fund assets and liabilities (net position) is not equivalent to the fund balance reported in governmental funds, and is not a useful indicator of *reserves*.
- *Yield* – the rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

General Policies

Policy Section: 1
Adopted by Resolution No. 92, Series 2015
Effective Date: December 15, 2015

Purpose and Scope

General Policies are financial policies that are not easily categorized under any of the other policy sections. Among other things, these policies will direct management to calculate specific information about the City of Louisville's current fiscal condition, past and future trends, as well as providing guidelines for making fiscal decisions and assuring that the City continues to pursue a financially prudent course.

Policies

- 1.1 **Financial Indicators.** The City of Louisville shall annually calculate and publish financial indicators consistent with those listed in Appendix "A". All indicators shall be calculated as of year-end and published each year in the budget document, along with the previous year's indicators for up to ten years. Any indicator that shows a warning trend when compared to prior years shall be more closely analyzed for reasons why a change has occurred.

City of Louisville, Colorado
Financial Policies
General Policy 1.1
Appendix A - Financial Indicators

Category	Description	Formula	Warning Trend
Revenue:			
	General Fund Revenue Per Capita	$\frac{\text{General Fund Operating Revenue}}{\text{Population}}$	Decrease
	General Fund Intergovernmental Revenue	$\frac{\text{General Fund Intergovernmental Revenue}}{\text{General Fund Operating Revenue}}$	Increase
	General Fund Sales Tax	$\frac{\text{General Fund Sales Tax Revenue}}{\text{General Fund Operating Revenue}}$	Decrease
	General Fund Property Tax	$\frac{\text{General Fund Property Tax Revenue}}{\text{General Fund Operating Revenue}}$	Decrease
	General Fund Actual Revenue vs. Budget	$\frac{\text{General Fund Actual Revenue}}{\text{General Fund Budgeted Revenue}}$	Decrease
Expenditures:			
	General Fund Expenditures Per Capita	$\frac{\text{General Fund Operating Expenditures}}{\text{Population}}$	Increase
	General Fund Expenditures vs. Budget	$\frac{\text{General Fund Actual Expenditures}}{\text{General Fund Budgeted Expenditures}}$	Increase
	City-Wide Employees Per Capita	$\frac{\text{City-Wide Employees (FTE's)}}{\text{Population}}$	Increase
	City-Wide Employee Benefit Cost	$\frac{\text{City-Wide Employee Benefits Cost}}{\text{City-Wide Employee Wages Cost}}$	Increase
Operating Position:			
	General Fund Operational Surplus/(Deficit)	$\frac{\text{General Fund Recurring Revenue}}{\text{General Fund Recurring Expenditures}}$	Decrease
	General Fund Operating Margin	$\frac{\text{General Fund Operational Surplus/(Deficit)}}{\text{General Fund Recurring Revenue}}$	Decrease
	General Fund Reserves	$\frac{\text{General Fund Unrestricted Fund Balance}}{\text{General Fund Operating Expenditures}}$	Decrease
	Open Space & Parks Fund Reserves	$\frac{\text{Open Space \& Parks Fund Total Fund Balance}}{\text{Open Space \& Parks Fund Targeted Fund Balance}}$	Decrease
	Water Utility Fund Working Capital	$\frac{\text{Water Utility Fund Working Capital}}{\text{Water Utility Fund Budgetary Basis Expenses}}$	Decrease

(continued)

City of Louisville, Colorado
Financial Policies
General Policy 1.1
Appendix A - Financial Indicators
(continued)

Category	Description	Formula	Warning Trend
Operating Position: (continued)			
	Wastewater Utility Fund Working Capital	$\frac{\text{Wastewater Utility Fund Working Capital}}{\text{Wastewater Utility Fund Budgetary Basis Expenses}}$	Decrease
	Storm Water Utility Fund Working Capital	$\frac{\text{Storm Water Utility Fund Working Capital}}{\text{Storm Water Utility Fund Budgetary Basis Expenses}}$	Decrease
	Combined Utility Fund Debt Burden	$\frac{\text{Total Combined Utility Fund Revenue}}{\text{Total Combined Utility Fund Debt Service}}$	Decrease
	Combined Utility Fund Net Position	$\frac{\text{Combined Utility Fund Current Year Net Position}}{\text{Combined Utility Fund Prior Year Net Position}}$	Decrease
	City-Wide Cash & Investments	$\frac{\text{City-Wide Unrestricted Cash \& Investments}}{\text{City-Wide Current Liabilities}}$	Decrease
	City-Wide Net Position	$\frac{\text{City-Wide Current Year Net Position}}{\text{City-Wide Prior Year Net Position}}$	Decrease
	City Wide Accumulated Depreciation	$\frac{\text{City Wide Accumulated Depreciation}}{\text{City-Wide Depreciable Assets}}$	Increase
	City-Wide Debt Per Capita	$\frac{\text{City-Wide Total Debt}}{\text{Population}}$	Increase

Reserve Policies**Policy Section: 2****Adopted by Resolution No. 92, Series 2015****Effective Date: December 15, 2015**

Purpose and Scope

The City of Louisville desires to maintain an appropriate level of financial resources to guard its citizens against service disruption in the event of unexpected revenue shortfalls or unanticipated one-time expenditures. This policy is also intended to document the appropriate reserve levels to protect the City's credit worthiness and maintain its good standing with bond rating agencies.

Reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities. This policy establishes the reserve amounts the City will strive to maintain in its General Fund and its other major operating funds. This policy also stipulates the conditions under which those reserves may be used and how the reserves will be replenished if they fall below established reserve amounts.

The City will measure its compliance with this policy as of December 31st of each year, as soon as practical after final year-end information is audited and becomes available.

Policies

- 2.1 **General Fund Reserves.** The minimum unrestricted fund balance of the General Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures less any interfund transfers to other funds, regardless of whether the transfers are considered recurring or non-recurring.

While the minimum unrestricted fund balance is set at 15% of current operating expenditures, the targeted unrestricted fund balance will be at or above 20% of current operating expenditures. This higher target is in recognition of:

- the General Fund's reliance on revenue sources that are subject to fluctuations (sales and use taxes);
- the General Fund's exposure to unexpected and significant one-time expenditure outlays (transfers to the Capital Projects Fund, mid-year changes to operations, disasters, etc.); and
- the potential drain on General Fund resources from other funds (recurring support transfers to the Open Space & Parks Fund and the Cemetery Fund).

The use of General Fund reserves will be limited to addressing unanticipated, non-recurring needs. Reserves shall not normally be used for recurring annual operating expenditures.

However, reserves may be used to provide the City time to restructure operations (as might be required in an economic downturn), but such use will only take place in the context of a long-term financial plan. Use of reserves below the 20% target requires authorization from City Council.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed to replenish the reserves as quickly as reasonably possible and presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

- 2.2 Open Space & Parks Fund Reserves.** The entire fund balance for the Open Space and Parks Fund is restricted by voters for acquisition, development, and operation of open space, trails, wildlife habitats, wetlands, and parks.

The minimum fund balance of the Open Space and Parks Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures include only open space and parks operations and exclude all interfund transfers and capital outlay.

The targeted fund balance of the Open Space and Parks Fund will include the minimum fund balance *plus* an amount sufficient to cover the City's share (considering other likely joint partners) of the total projected cost of acquiring the three highest priority candidate open space properties. As the highest priority properties are purchased, this amount will be adjusted.

Use of reserves below the targeted amount requires authorization from City Council. In the event reserves are used to acquire open space property resulting in a fund balance below the targeted amount, a plan will be developed to replenish the reserves as quickly as reasonably possible and presented as part of a long-term financial plan. Methods of replenishing fund balance may include transfers from other funds, securing loans from other agencies to jointly purchase property, seeking approval of bonds to finance property acquisition, and/or delaying/reducing expenditures for development, construction, operation, and maintenance of open space zones, trails, wildlife habitats, wetlands, and parks.

- 2.3 Cemetery Fund Reserves.** The minimum unrestricted fund balance of the Cemetery Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

The Cemetery Fund requires a recurring annual transfer from the General Fund to fund its operational deficit. This transfer will be adjusted on an annual basis to ensure that the unrestricted fund balance of the Cemetery Fund is maintained at or above 15% of current operating expenditures.

- 2.4 Combined Utility Fund Reserves.** The Water, Wastewater, and Storm Water Utility Funds are enterprise funds and, therefore, the measure of reserves is based on levels of working capital rather than on levels of fund balance. It is important to maintain adequate levels of working capital in these funds to mitigate risks and to ensure a stable fee structure and service level.

The minimum working capital for the Water, Wastewater, and Storm Water Utility Funds shall be maintained at or above 25% of current operating expenses, as measured on the City's budgetary basis. For purpose of this policy, operating expenses are defined as all budgetary-basis expenses, excluding interfund transfers and capital outlay.

Debt Policies**Policy Section: 3****Adopted by Resolution No. 92, Series 2015****Effective Date: December 15, 2015**

Purpose and Scope

To enhance creditworthiness and engage in prudent financial management, the City of Louisville is committed to systematic capital planning and long-term financial planning. Maintaining the City's bond rating is an important objective and, to this end, the City is continually working to improve its financial policies, budgets, forecasts, and financial health.

These policies establish criteria for the issuance of debt obligations by the City so that acceptable levels of indebtedness are maintained. The objectives of these policies are to ensure that the City obtains debt financing only when necessary, that the process for identifying the timing and amount of debt financing be as efficient as possible, that the most favorable interest rates and related issuance costs are obtained, and that future financial flexibility remains relatively unconstrained.

Debt financing includes general obligation bonds, revenue bonds, notes payable to the Colorado Water Resources & Power Development Authority, leases, and any other City obligations permitted to be issued or incurred under Colorado law, the City's Municipal Code, and the City's Charter.

This policy does not apply to the Urban Revitalization District, a legally separate entity, but a component unit of the City for financial reporting purposes.

Policies

- 3.1 Use of Debt Financing.** Although the City will normally finance projects on a cash basis (pay-as-you-go), the City may decide that the most equitable way of financing a project is through debt financing (pay-as-you-use).

Factors which may favor *pay-as-you-go* financing include circumstances where:

- the project can be adequately funded from available current revenue and reserves;
- the project can be completed in an acceptable timeframe given the available resources;
- additional debt levels could adversely affect the City's credit rating or repayment sources; or
- market conditions are unstable or are not conducive to marketing debt.

Factors which may favor *pay-as-you-use* financing include circumstances where:

- current revenue or reserves are insufficient to pay project costs;
- a project is immediately required;
- revenue available for debt issues are considered sufficient and reliable so that long-term financing can be marketed with an appropriate credit rating, which can be maintained;
- market conditions present favorable interest rates and demand for municipal debt financing; or
- the useful life of the project or asset is five years or greater.

The City will not use long-term debt to finance any recurring purpose such as current operations. Debt financing will be used only for capital improvement projects and large equipment purchases. Debt payments shall not extend beyond the estimated useful life of the project or the equipment being financed.

- 3.2 **Limitations and Constraints on Debt Financing.** Per Article 12, Section 12-1, of the City of Louisville Charter, the total amount of the City's indebtedness shall not at any time exceed three (3) percent of the actual value, as determined by the County Assessor, of taxable property within the City, except such debt as may be incurred by supplying water.

Per Article 12, Section 12-3, of the City of Louisville Charter, any lease-purchase agreement, except for the acquisition of water rights, entered into by the City shall be approved by the City Council by non-emergency ordinance.

Per the Taxpayer Bill of Rights (TABOR) amendment to the Colorado Constitution, all multiple-year debt shall first be approved by the City's taxpaying electorate unless it is issued for a TABOR-defined government enterprise, refinances bonded debt at a lower interest rate, or sufficient cash reserves are pledged irrevocably for future payments. The City's TABOR-defined enterprises include the Water Utility Fund, the Wastewater Utility Fund, the Storm Water Utility Fund, and the Golf Course Fund. Operating leases, lease-purchases, and certificates of participation (COP's) that are subject to annual appropriation are not considered multiple-year debt and are not subject to TABOR election requirements.

- 3.3 **Structure of Debt Financing.** City debt will be structured to achieve the lowest possible net interest cost given market conditions, the urgency of the capital project, and the nature and type of any security provided. City debt will be structured in ways that will minimize impacts on future financing flexibility. To the extent possible, repayment of debt shall be structured to rapidly recapture credit capacity for future use.

City debt will be amortized for the shortest period consistent with a fair allocation of cost to current and future beneficiaries of the project being financed, and in keeping with other related provisions of this policy. The City shall normally issue general obligation bonds or revenue bonds with a maximum life of twenty years or less.

The City will normally seek to amortize general obligation bonds and revenue bonds with level payments (principal plus interest) over the life of the issue. Pushing higher debt service costs to future years will only be considered under special circumstances. The City will also avoid repayment schedules that consist of low annual payments and a large payment of the balance due at the end of the term. There shall always be at least one interest payment in the first fiscal year after a bond sale. Principal repayment shall start no later than the second year after the bond issue.

Call provisions for bond issues shall be made as short as possible, consistent with the lowest interest cost to the City. Unless specific compelling reasons exist, all bonds shall be callable only at par.

Credit enhancements may be used if the costs of such enhancements are lower than the reduction in net debt service payments or if they provide other significant financial benefits to the City.

- 3.4 **Bond Counsel.** The City will retain an external bond counsel through a competitive process administered by the Finance Department and the City Attorney's Office. All debt issues of the City will include a written opinion by bond counsel on the validity of the bond offering, the security for the offering, and whether and to what extent interest on the bonds is exempt from income and other taxation.
- 3.5 **Financial Advisor.** The City will retain an external financial advisor through a competitive process administered by the Finance Department. For each debt issuance, the financial advisor will provide the City with information and recommendations on all aspects of the issuance, including market opportunities, method of sale, structure, term, pricing, and fees.
- 3.6 **Method of Sale.** As a matter of general policy, the City shall seek to issue its general and revenue bond obligations with a competitive sale process unless it is determined by the City's Financial Advisor and Finance Director that such a method will not produce the best results for the City. Other methods of sale that may be authorized by the Financial Advisor and Finance Director are a negotiated sales process and a private placement process.

Conditions that may favor a negotiated sale process are:

- The bond issue is, or contains, a refinancing that is dependent on market timing;
- At the time of the issuance, the interest rate environment or economic factors that affect the bond issue are volatile;
- The nature of the debt is unique and requires particular skills from the underwriter; or
- The debt issuance is bound by a compressed timeline due to extenuating circumstances that prevent a competitive process from being accomplished.

Whenever a negotiated sale process is determined to be in the best interests of the City, the City will use a competitive process to select its investment banking team.

In such instances where the City, through competitive bidding, deems the bids as unsatisfactory, or does not receive bids, it may, at the election of the Finance Director, immediately enter into a negotiated sale process or private placement process.

- 3.7 **Refunding of Debt.** Periodic reviews of all outstanding debts will be undertaken by the Finance Director and Financial Advisor to determine refunding opportunities. Refundings will be considered (within legal constraints) if and when there is a net economic benefit of the refunding, or if the refunding is essential in order to amend covenants to enhance operations and management. As a general rule, refundings will only be considered if the present value savings (net of all costs) of a particular refunding will exceed five percent (5%) of the refunded principal.

- 3.8 **Arbitrage Liability Management.** It is the City's policy to minimize the cost of arbitrage rebate and yield restriction while strictly complying with the law. The City will not issue obligations except for identifiable projects with very good prospects of timely initiation. Because of the complexity of the arbitrage rebate regulations and the severity of non-compliance penalties, the City will use the services of Bond Counsel and other arbitrage compliance experts when determining arbitrage liability, reporting, and exemptions.
- 3.9 **Financial Disclosure.** The City is committed to full and complete financial disclosure and to cooperating fully with rating agencies, institutional and individual investors, other levels of government, and the general public to share clear, comprehensible, accurate, and timely financial information. Continuing disclosure requirements under Rule 15c2-12 issued by the Securities and Exchange Commission (SEC) may apply to certain debt transactions of the City. The City will comply with all such Federal or other State reporting requirements on a timely basis. The City is committed to meeting continuing disclosure requirements of the national information repositories.

Revenue Policies**Policy Section: 4****Adopted by Resolution No. 92, Series 2015****Effective Date: December 15, 2015**

Purpose and Scope

The City of Louisville collects revenue from various sources, the largest of which are from sales and use taxes, utility fees, property taxes, and intergovernmental revenue. The structure, equity, fluctuation, and collection of revenue are important for financial stability and are reviewed by bond rating agencies to determine the City's credit quality.

Policies

- 4.1 **Diversification and Stabilization.** The City will strive to maintain a diversified and stable revenue system to reduce the overall effects of fluctuations in any one revenue source.
- 4.2 **Equity.** Revenue will be derived from a fair, equitable, and adequate resource base, while minimizing tax differential burdens. Services having a City-wide benefit shall be financed with revenue sources generated from a broad base, such as sales taxes and property taxes. Services where the customer determines the use shall be fully or partially financed with user fees and charges related to the level of service provided.
- 4.3 **Collections.** The City will monitor all taxes, fees, and charges to make sure they are equitably administered and collections are timely and accurate. The City will pursue collection of delinquent amounts (including related penalties and interest) as authorized by the Louisville Municipal Code.
- 4.4 **Recurring and Non-recurring Revenue.** The City's objective is to fund all recurring expenditures with recurring revenue. Non-recurring, one-time revenue should be used to fund only non-recurring, one-time expenditures. The preferred use of non-recurring revenue is to invest in projects that will result in long-term operational cost savings.
- 4.5 **Intergovernmental Revenue.** The City will pursue intergovernmental aid, including grants, for those programs and activities that address a recognized need and are consistent with the City's goals and objectives, and will attempt to recover all allowable costs associated with those programs. The City will avoid using grants for ongoing service delivery needs. Any decision to pursue intergovernmental aid should only be made after consideration of the present and future funding requirements, costs of administering the funds, costs associated with special conditions or regulations attached to the aid, and ongoing operational costs after the aid period.

- 4.6 **User Fees and Services Charges.** The City will periodically recalculate the full cost of providing services in order to provide a basis for setting the associated user fee or service charge. Full cost shall incorporate direct and indirect costs, including operations (with City labor costs), maintenance, overhead, debt service, equipment, and capital charges. The intent of this policy is to set fees at a level that is related to the actual cost of producing the good or service. The City will also periodically examine and compare rates from other cities providing similar services. It is recognized that competing policy objectives may result in user fee levels that recover only a portion of the costs.
- 4.7 **Fees for Children's Recreational Services and Senior Programs.** The City may set fees for children's recreational programs and senior services at levels below the full cost of providing those services.
- 4.8 **Fees for Non-Resident City Services.** Non-residents may be required to pay higher fees than residents for City services.

**Operating Budget
Policies**

Policy Section: 5
Adopted by Resolution No. 92, Series 2015
Effective Date: December 15, 2015

Purpose and Scope

The formulation of the annual operating budget, including the publication of the budget document, is one of the most important financial activities that the City of Louisville undertakes each year. The budget process provides a comprehensive plan to deliver efficient services to residents and stakeholders of the City in a manner that aligns resources with the policies, goals, mission, and vision of the City. This policy is intended to provide guidelines to assist in the formulation of financial discussion and the broader implications of financial decisions. This policy shall apply to all funds with an adopted budget.

Policies

- 5.1 **Budgetary Basis of Accounting.** The “basis of accounting” is a term used to describe the timing of revenue and expenditure recognition. In other words, when the effects of transactions or events should be recognized. In governmental accounting, the basis of accounting used for financial reporting purposes, as required by generally accepted accounting principles (GAAP), is not required for use in preparing a budget document. Under GAAP, governmental funds are required to utilize a modified accrual basis of accounting and proprietary funds (enterprise and internal service) are required to utilize a full accrual basis of accounting for financial reporting purposes. The City of Louisville’s *budgetary* basis of accounting is a modified accrual basis for *all* fund types, including proprietary funds. Some of the differences between the City’s budgetary basis of accounting and the GAAP basis of accounting for proprietary fund types are:

- *Issuance of debt* – budgeted as a revenue item, adjusted at year-end to a liability for financial reporting purposes.
- *Principal payment on debt* – budgeted as an expense item, adjusted at year-end to a reduction in the liability for financial reporting purposes.
- *Capital acquisition* – budgeted as an expense item, adjusted at year-end to an asset acquisition for financial reporting purposes.
- *Depreciation* – not recognized for budgeting purposes, recorded at year-end as an expense for financial reporting purposes.

- 5.2 **Level of Budgetary Control.** The level of budgetary control is the level at which spending cannot exceed the budgeted amount without City Council authorization. The level of control is also the level of detail the City Council approves in the appropriation resolution. The City's current level of budgetary control is at the fund level. However, department management is responsible for administering their respective programs within the financial constraints described by the budget as adopted.

Article 11, Section 11-6 of the City of Louisville Charter states, *"During the fiscal year, no officer or employee shall expend or contract to expend any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts appropriated by the City Council. Any contract, verbal or written, made in violation of this subsection shall be void, and no moneys of the City shall be paid on such contract; except that the City Council may ratify such a contract if it determines that ratification would be in the best interest of the City, and if it adopts a resolution making the necessary appropriation."*

- 5.3 **Balanced Budget.** The City's definition of a balance budget requires each fund's revenue plus appropriated fund balance/working capital to be equal to, or greater than, each fund's total appropriations. However, it is the City's intent to go further and develop *structurally* balanced budgets for the General Fund and the other major operating funds (excluding capital project funds). In a structurally balanced budget, annual recurring revenue will be projected to equal or exceed annual recurring expenditures for each fund. If a structural imbalance (recurring expenditures exceeding recurring revenue) should occur in the General Fund or in any of the major operating funds, a plan will be developed and implemented to bring the budget back into structural balance.
- 5.4 **Budget Form.** Article 11, Section 11-2 of the City of Louisville Charter states, *"The proposed budget shall provide a complete financial plan for the City in a format acceptable to the City Council. Except as otherwise provided by this Charter, the proposed budget shall be prepared in accordance with State statutes establishing the local government budget law and the local government uniform accounting law."*
- 5.5 **Capital Improvement Plan (C-I-P).** A Five-Year Capital Improvement Plan will be presented to the City Council for consideration during the budget development process. The annual capital budget will be based on the first year of the approved C-I-P.
- 5.6 **Long-Term Financial Plan (LTFP).** Five-year financial forecasts for each of the City's major operating funds will be presented to the City Council for consideration during budget development. The LTFP will coordinate the C-I-P with the operating budget and will provide insight into potential future financial imbalances so that action can be taken before a crisis occurs.
- 5.7 **Budget Amendment.** The City Council may amend or supplement the budget by resolution at any time after its initial adoption. A public hearing is required.
- 5.8 **Budget Control System.** The City will develop and maintain a budgetary control system to help it adhere to the budget. All departments are part of the budget control system and will have access to individual department reports that compare budget-to-actual financial performance. The Finance Department will report City-wide budget-to-actual performance on a monthly basis for both revenue and expenditures to the City Finance Committee.

Investment Policies**Policy Section: 6****Adopted by Resolution No. 92, Series 2015****Effective Date: December 15, 2015**

Purpose and Scope

It is the policy of the City of Louisville to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands and conforming to all Colorado Revised Statutes, the City of Louisville Charter, and the City of Louisville Municipal Code.

The provisions of this investment policy shall apply to all funds held in the custody of the City and all of its offices. Except for cash in certain restricted and special funds, the City shall consolidate, or “pool”, cash and investment balances from all funds to maximize investment earnings and to increase efficiencies with regards to investment pricing, safekeeping, and administration. The investment income derived from the pooled cash and investment accounts shall be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

Policies

6.1 **Objectives.** In order of priority, the primary objectives of investment activities shall be safety, liquidity, and yield:

- *Safety.* Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio through the mitigation of credit risk and interest rate risk.
- *Liquidity.* The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This shall be accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio shall consist largely of securities with active secondary or resale markets. In addition, a portion of the portfolio may be placed in local government investment pools (LGIPs) which offer same-day, constant dollar liquidity for short-term funds.
- *Yield.* The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary

importance compared to the safety and liquidity objectives described above. Securities generally shall be held to maturity with the following exceptions:

- A security with a declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration of the portfolio.
- Liquidity needs of the portfolio require the security to be sold.

- 6.2 **Delegation of Authority.** The Finance Director shall be the designated investment officer of the City and shall be responsible for all investment decisions and activities, under the direction of the City Manager. The Finance Director shall establish investment policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director.

The Finance Director may delegate the authority to conduct investment transactions and manage the operation of the investment portfolio to one or more subordinates and/or an external registered investment advisor who shall act in accordance with established procedures on internal controls and in compliance with this investment policy.

- 6.4 **Legal Investments.** All investments shall be made in accordance with Colorado Revised Statutes (CRS) as follows: CRS 11-10.5-101, et seq., Public Deposit Protection Act; CRS 24-75-601, et seq., Funds - Legal Investments for Government Units; CRS 24-75-603, et seq., Depositories; CRS 24-75-701 and 702, et seq., Local Governments - Local Government Pooling and that the investment or deposit meets the standard established in section CRS 15-1-304. Any revisions or extensions of these sections of the CRS will be assumed to be part of this Investment Policy immediately upon enactment.

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the settlement date or in accordance with state and local statutes and ordinance. Pursuant to CRS Section 24-75-601.1(1), as amended from time to time, and subject to the limitations set forth therein, the securities listed herein shall be eligible for investment of public funds by the City. In the event of a conflict between CRS 24-75-601.1(1) and this policy, other than this policy being more restrictive than CRS 24-75-601(1), CRS 24-75-601.1(1) shall control. Nothing herein shall preclude the City from adopting a policy to permit securities other than those listed in CRS 24-75-601.1(1) for investment of public funds.

CRS 24-75-601(1) and this policy authorize the following investments:

- Any security issued by, fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment; allowing for inflation indexed securities. The period from the date of settlement of this type of security to the maturity date shall be no more than five years, unless the City Council authorizes investment for a period in excess of five years.
- Any security issued by, fully guaranteed by, or for which the full credit of the following is pledged for payment: The Federal Farm Credit Bank, A Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, The Federal National Mortgage Association, the Government National Mortgage Association, or an entity or organization that is not

listed in this paragraph but that is created by, or the creation of which is authorized by, legislation enacted by the United States Congress and that is subject to control by the federal government that is at least as extensive as that which governs an entity or organization listed in this paragraph. The period from the date of settlement of this type of security to its maturity date shall be no more than three years. Any entity or organization listed in this paragraph may represent up to but not more than 35% of the investment portfolio. The total of the above mentioned entities or organizations and inclusive of corporate or bank securities cannot represent more than 95% of the investment portfolio.

- Any security that is a general or revenue obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental entities. The period from the date of settlement of this type of security to the maturity date shall be no more than three years.
- Any interest in a local government investment pool pursuant to CRS 24-75-701, et seq.
- Any guaranteed investment contract (GIC) if at the time the contract or agreement is entered into, the long-term credit rating, financial obligations rating, claims paying ability rating, or financial strength rating of the party, or of the guarantor of the party, with whom the public entity enters the contract or agreement is, at the time of issuance, rated in one of the two highest rating categories by two or more nationally recognized securities rating agencies that regularly issue such ratings. Contracts or agreements purchased under this paragraph shall not have a maturity period greater than three years.
- Any dollar-denominated corporate or bank security issued by a corporation or bank that has a maturity of less than three years from the date of settlement and, at the time of purchase, must carry at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below "AA– or Aa3" by any credit rating agency. The aggregate value of all securities referred to in this paragraph shall equal no more than 25% of the total portfolio.
- Money market instruments, such as commercial paper or bankers' acceptance, must carry at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below "A1, P1, or F1" by any credit rating agency.
- Any money market fund that is registered as an investment company under the federal "Investment Company Act of 1940", as amended, at the time the investing public entity invests in such fund. The money market fund must: 1) have no commission fee on the charged on purchases or sales of shares; 2) have a constant daily net asset value per share of \$1.00; 3) limit assets of the fund to U.S. Treasury Securities; 4) have a maximum stated maturity and weighted average maturity in accordance with Federal Securities Regulation 270-2A-7; and 5) have a rating at the time of purchase of at least AAAM by Standard & Poor's or Aaa/MRI+ Moody's
- The purchase of any repurchase agreement of marketable securities referred to in the preceding paragraphs. A Master Repurchase Agreement must be executed with the bank or dealer. The securities must be delivered to the City's custodian or to a third-party custodian or third-party trustee for safekeeping on behalf of the City. The title to or

a perfected security interest in such securities along with any necessary transfer documents must be transferred to the City or the City's custodian. The collateral securities of the repurchase agreement must be collateralized at no less than one hundred two percent and marked to market no less frequently than weekly. Collateralization is required per the Public Deposit Protection Act, CRS 11-10.5-101 et seq. The securities subject to the repurchase agreement may have a maturity in excess of five years. The repurchase agreement itself may not have a maturity of more than five years from the date of settlement unless the City Council authorizes investment for a period in excess of five years.

- Certificates of deposit in state or national banks or in state or federally chartered savings banks, which are state-approved depositories per CRS Section 24-75-603, et seq. (as evidenced by a certificate issued by the State Banking Board) and are insured by the FDIC. Certificates of deposit, which exceed the FDIC insured amount, shall be collateralized in accordance with the Colorado Public Deposit Protection Act. Certificates of deposit must comply with CRS Section 30-10-708 (1). The aggregate value of all certificates of deposit shall equal no more than 25% of the total portfolio.

- 6.4 **Standards of Care and Performance.** The “reasonable prudence” standard shall be used by investment officials in the context of managing an overall portfolio. The “reasonable prudence” standard provides that investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of the capital.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

In addition, officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the City Manager any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

- 6.5 **Authorized Financial Institutions, Depositories, and Broker-Dealers.** Unless utilizing the services of an external registered investment advisor, the Finance Department shall maintain a list of financial institutions and depositories authorized to provide investment services to the City. In addition, the Finance Department shall maintain a list of approved security broker/dealers that may include “primary” dealers or regional dealers qualifying under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). To qualify for consideration for investment transactions with the City, all financial institutions and broker-dealers must supply the following, as appropriate:

- Proof of state registration (except for those firms providing safekeeping and custodial services only).
- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
- Proof of Financial Industry Regulatory Authority (FINRA) certification.
- Evidence of adequate insurance coverage.
- Certification of having read and understood and agreeing to comply with the City's investment policy.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Finance Director.

- 6.6 **Safekeeping and Custody.** All trades of marketable securities will be executed “delivery versus payment” (where applicable) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

Securities will be held by an independent third-party custodian selected by the City and evidenced by safekeeping receipts in the City's name. The safekeeping institution shall provide on an annual basis a copy of its most recent report on internal controls (Statement of Standards 70).

Moreover, management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal controls structure should address the following points:

- Control of collusion.
- Separation of transaction authority from accounting and recordkeeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.
- Written confirmation of transactions for investments and wire transfers.
- Dual authorization of wire transfers.

Compliance with these controls shall be reviewed and confirmed through the City's annual independent audit.

6.7 **Performance Standards & Reporting**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The City's investment strategy is passive. Given this strategy, the basis used by the Finance Director to determine whether market yields are being achieved shall be the ColoTrust local government investment pool, the one-year US Treasury Bill, and the two-year Agency Benchmark.

The Finance Director shall provide the Finance Committee monthly investment reports that provide the status and characteristics of the current investment portfolio. The investment report should include schedules on:

- Portfolio diversification.
- Maturity distribution.
- A listing of all securities held by authorized investment category.
- Par value, amortized book value, and market value for all securities held.
- Monthly activity – purchases, sales, calls, and interest received.

**Capital Asset
Investment &
Management Policies**

Policy Section: 7
Adopted by Resolution No. 92, Series 2015
Effective Date: December 15, 2015

Purpose and Scope

Capital assets have a major impact on the ability of the City of Louisville to deliver services, the economic vitality of the City, and the overall quality of life for the City's citizens. The purpose of this policy is to provide general guidelines for a comprehensive process of allocating limited resources to capital investments. This policy applies to all funds included in the City's Five-Year Capital Improvement Plan.

Policies

- 7.1 General Process for Five-Year Capital Improvement Plan (C-I-P).** The Finance Department is responsible for coordinating the C-I-P process within the annual budget calendar and for compiling the requested, recommended, and adopted C-I-P document.

Each year, City departments will submit a list of prioritized projects for inclusion into the C-I-P. The City Manager will review the requests and make the final recommendations to City Council. City Council will review the recommended C-I-P and direct any changes for the final C-I-P. The first year of the C-I-P will be included in the Annual Operating & Capital Budget presented to the City Council for formal adoption in November.

The City shall provide meaningful opportunities for all stakeholders to provide input into the C-I-P development process.

- 7.2 C-I-P Project Selection.** An objective set of criteria will be used to assess and evaluate project proposals. Although specific criteria may be updated from time to time, the following concepts are core principles to be considered in the development of such criteria:
- **Long-Term Forecasts** – Long-term forecasts will be prepared to better understand resources available for capital spending and to assess operational impacts and eventual maintenance and replacement costs.
 - **Impact of Other Projects** – Projects shall not be considered in isolation. One project's impact on others should be recognized and costs shared between projects where appropriate.

- Full Costing – Cost analysis of a proposed project should encompass the entire cost of the project, including annual maintenance and other impacts to the operating budget.
- Predictable Project Timing & Scope – Schedule and scope estimates should be practical and achievable within the requested resources, including financial and human.

7.3 **Balanced C-I-P.** The adopted C-I-P will be balanced. This means that for the five year period, revenue plus the use of fund reserves will equal or exceed total project expenditures.

7.4 **Asset Maintenance & Replacement.** It is the City's intent to maintain its existing assets and a level that protects the initial capital investment and minimizes future maintenance and replacement costs. Based on an asset inventory and risk assessment, staff shall include recommendations for asset maintenance in the C-I-P. It is the City's intent to ensure that adequate resources are allocated to preserve the City's existing infrastructure to the best of its ability before allocating resources to other capital projects.

**Accounting, Auditing, &
Financial Reporting
Policies**

Policy Section: 8
Adopted by Resolution No. 92, Series 2015
Effective Date: December 15, 2015

Purpose and Scope

The City of Louisville desires to maintain a system of financial management that safeguards City assets, promotes financial transparency, and provides timely, accurate, and relevant financial information to citizens, elected officials, and management. This policy pertains to all funds and operations of the City and, to the extent reasonably possible, all component units of the City.

Policies

- 8.1 **Accounting.** The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles applicable to state and local governments. The City's accounting and reporting policies will conform to the generally accepted accounting principles (GAAP).
- 8.2 **Auditing.** Article 11, Section 11-7 of the City of Louisville Charter states, *"The Council shall provide for a financial audit, which shall be performed at least annually by a certified public accountant selected by the Council. The Audit shall be performed in accordance with the State statutes establishing the local government audit law. Copies of the audit shall be made available for public inspection."*

In compliance with the Charter, an annual audit will be performed by an independent certified public accounting firm in accordance with Generally Accepted Governmental Auditing Standards and the auditor's opinion will be included in the City's Comprehensive Annual Financial Report (CAFR).

The City's Finance Department shall be responsible for managing the audit procurement process. The City Council will appoint the independent auditor and approve each year's audit engagement letter. The audit engagement term shall typically be for five to ten years, subject to annual review, approval, and appropriation.

- 8.3 **Audit Committee.** The City's Finance Committee will act as the City's Audit Committee. The Audit Committee will provide an independent review and oversight of the government's financial reporting processes, internal controls, and independent auditors. The City's independent auditors will meet with the Audit Committee at least annually and have direct access to the Audit Committee if City staff is unresponsive to auditor recommendations or if

the auditors consider such communication necessary to fulfill their legal and professional responsibilities.

- 8.4 **Financial Reporting.** The City's Comprehensive Annual Financial Report (CAFR) will be published annually to present the results, financial position, and results of operations of the City for the prior year. As an additional independent confirmation of the quality of the City's financial information, the City will annually submit its CAFR to the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting program.

The Finance Department will provide monthly interim financial reports to the Finance Committee after the close of each month. The reports will be designed to keep the Committee continuously informed of the City's overall financial status.

- 8.5 **Internal Controls.** The goals and objectives of the City's internal control policies are to safeguard City assets and to foster reliance on public information for decision-making purposes at all levels both internally and externally. Management shall establish the presence of integrity, ethics, competence, and a positive control environment. Directors are responsible for establishing, executing, and maintaining control policies and procedures at the detail level within their specific departments.

The City's internal control structure will be based on the Committee of Sponsoring Organizations of the Treadway Commission on Fraudulent Financial Reporting (COSO) framework and comprised of the following elements:

- **Control Environment** – Factors include integrity and ethical values, commitment to competence, leadership philosophy and operating style, assignment of authority and responsibility, and policy and procedures;
- **Risk Assessment** – Routine assessment of risk and its impact on internal controls;
- **Control Activities** – Such as segregation of duties, authorization of transactions, retention of records, supervision and monitoring of operations, and physical safeguards;
- **Information and Communication** – Policies and procedures are documented and accessible; and
- **Monitoring** – Assessment of the quality of performance over time to determine whether controls are effective and track resolution achievements of identified problems.

- 8.6 **Capitalization of Assets.** The terms capital assets, capital outlay, and fixed assets are used to describe assets that are used in operations that have initial lives extending beyond a single reporting period, such as water rights, infrastructure, land, buildings, improvements other than buildings, and equipment. It is incumbent upon departments to maintain adequate control over all resources, including capital assets, to minimize the risk of loss or misuse.

Not all fixed assets are required to be reported on the City's balance sheet. Specifically, fixed assets with extremely short useful lives or fixed assets of small monetary value are properly reported as an "expenditure" or "expense" of the period in which they are acquired.

Fixed assets that are reported on the City's balance sheet are said to be "capitalized" and must meet the capitalization criteria outlined in this policy.

The City's capitalization criteria are, as follows:

- Assets should be capitalized only if they have an estimated useful life of at least two years following the date of acquisition.
- The capitalization thresholds shall normally be applied to individual items rather than to groups of similar items (e.g., chairs), unless the effect of doing so would be to eliminate a significant portion of total capital assets (e.g., library books).
- The capitalization threshold for each individual item is \$5,000.
- Directors are responsible for establishing control and inventory procedures at the department level for non-capitalized assets such as office equipment, communications equipment, fleet management inventory, firearms, etc.

8.7 Accounts Receivable Write-Off. Accounts receivable is an asset account reflecting amounts owed to the City. Staff will make every effort to collect all receivables. Only receivables deemed uncollectible can be written off. In order to be deemed uncollectible, a receivable must meet the following criteria:

- All standardized collections procedures have been exhausted;
- Further measures to collect the debt have been determined as inappropriate; and
- The characteristics of the debt are such that write-off is appropriate (e.g., the debt is small relative to the cost of further collection efforts).

The City Manager or Finance Director is authorized to approve a write-off of up to \$100 per individual account. Staff's request to write-off accounts greater than \$100 must be approved by the Finance Committee. The amounts and reasons for all write-offs will be documented and made available for audit.

SUBJECT: ENTERPRISE DASHBOARDS

DATE: APRIL 16, 2018

PRESENTED BY: VARIOUS

SUMMARY:

Attached are the Enterprise Dashboards received from the Golf Course and the Recreation Center.

January February March 2018

2017 REVISED Dashboard

Background information		Quarterly actual	Quarterly budget	YTD actual	YTD Budget
Playable Days		52	75	52	75
Total Rounds		2,189	3,424	2,189	3,424
Revenue					
Golf club rental	\$	314	\$ 100	\$ 314	\$ 100
Green Fees	\$	58,873	\$ 84,400	\$ 58,873	\$ 84,400
Golf Cart Fees	\$	9,532	\$ 18,442	\$ 9,532	\$ 18,442
Golf Club Repair	\$	4,464	\$ 2,000	\$ 4,464	\$ 2,000
Golf Lessons	\$	2,836	\$ 4,000	\$ 2,836	\$ 4,000
handicap fees	\$	765	\$ 500	\$ 765	\$ 500
Pro Shop retail sales	\$	11,717	\$ 11,317	\$ 11,717	\$ 11,317
Pull Cart Rentals	\$	488	\$ 768	\$ 488	\$ 768
Range Fees	\$	12,036	\$ 4,587	\$ 12,036	\$ 4,587
Annual pass revenue	\$	47,269	\$ 52,000	\$ 47,269	\$ 52,000
Sweet Spot lease					
Sweet Spot utilities	\$	6,333	\$ 5,850	\$ 6,333	\$ 5,850
Interest earnings					
miscellaneous	\$	550		\$ 550	
total revenue	\$	155,177	\$ 183,964	\$ 155,177	\$ 183,964
<u>total revenue per round</u>	\$	70.89	\$ 53.73	\$ 70.89	\$ 53.73
Expenditures					
		Quart Actual	Quart Budget	YTD Actual	YTD Budget
Course maintenance		67,175	\$ 103,000	67,175	\$ 103,000
Golf Operations		76,221	\$ 52,000	76,221	\$ 52,000
clubhouse		15,813	\$ 20,000	15,813	\$ 20,000
Marketing		24,817	\$ 27,800	24,817	\$ 27,800
Total expenditures		184,026	202,800	184,026	202,800
Expense per round	\$	84.07	\$ 59.23	\$ 84.07	\$ 59.23
Total revenue - total expenditure		(28,849)	\$ (18,836)	(28,849)	\$ (18,836)
gross profit (loss) per round	\$	(13)	\$ (5.50)	\$ (13.18)	\$ (5.50)

LOUISVILLE RECREATION / SENIOR CENTER
January to March 2016

RECREATION & SENIOR CENTER USE AND REVENUE	2018	2017	VARIANCE \$	VARIANCE %	2018 EXPENSE
Total Daily Admissions	78,903	75,309	3,594	5%	
Annual/Monthly Pass Admissions	61,211	57,882	3,329	6%	
Punch Pass Admissions	13,777	13,030	747	6%	
Daily Admissions	3,915	4,397	(482)	-11%	
Admission Revenue					
Membership Revenue	\$ 165,761	\$ 168,965	\$ (3,204)	-2%	
Punch Pass Revenue	\$ 53,384	\$ 43,061	\$ 10,323	24%	
Daily User Fee Revenue	\$ 19,330	\$ 24,377	\$ (5,047)	-21%	
Total Admission Revenue	\$ 238,475	\$ 236,403	\$ 2,072	1%	
Other Revenue					
Childcare	\$ 3,000	\$ 2,719	\$ 281	10%	
Facility Rentals	\$ 5,580	\$ 6,692	\$ (1,112)	-17%	
Rec Center Concession	\$ 1,782	\$ 2,170	\$ (388)	-18%	
Pro Shop Sales	\$ 341	\$ 254	\$ 87	34%	
Tax	\$ 379	\$ 384	\$ (5)	-1%	
Park Rentals	\$ 7,325	\$ 6,685	\$ 640	10%	
Total Other Revenue	\$ 18,407	\$ 18,904	\$ (497)	-3%	
TOTAL ADMISSION AND OTHER REVENUE	\$ 256,882	\$ 255,307	\$ 1,575	1%	
RECREATION PROGRAM REVENUE:					
Recreation Center Swim Lessons	\$ 18,111	\$ 28,617	\$ (10,506)	-37%	\$ 96,255.50 General Aquatics
Private Swim Lessons	\$ 6,015	\$ 12,770	\$ (6,755)	-53%	
Aquatics Red Cross	\$ 800	\$ 315	\$ 485	154%	
Aquatics Contractors	\$ 10,256	\$ 8,836	\$ 1,420	16%	
Memory Square Lessons	\$ -	\$ -	\$ -	#DIV/0!	\$ 20,298.47 General Memory Square
Memory Square Admission	\$ -	\$ -	\$ -	#DIV/0!	
Swim Teams	\$ 1,050	\$ -	\$ 1,050	#DIV/0!	
Aquatics Total Revenue	\$ 36,232	\$ 50,538	\$ (14,306)	-28%	\$116,554 Aquatics Total Expenses
Youth Activities	\$ 140,903	\$ 126,725	\$ 14,178	11%	\$ 50,395.87 General Youth Activities
Youth Activities Contractors	\$ 7,652	\$ 11,778	\$ (4,126)	-35%	\$ 25,178.30 Nite At The Rec
Youth Activities Red Cross	\$ -	\$ -	\$ -	#DIV/0!	
Youth Sports	\$ 35,588	\$ 30,353	\$ 5,235	17%	\$ 46,480.96 General Youth Sports
Youth Sports Contractors	\$ 1,618	\$ -	\$ 1,618	#DIV/0!	
Nites	\$ 14,386	\$ 18,852	\$ (4,466)	-24%	
Youth Services Total Revenue	\$ 200,147	\$ 187,708	\$ 12,439	7%	\$122,055 Youth Services Total Expenses
Adult Sports	\$ 4,827	\$ 2,275	\$ 2,552	112%	\$ 7,589.65 General Adult Sports
Adult Activities	\$ 4,300	\$ 2,807	\$ 1,493	53%	\$ 42,852.19 General Fitness
Fitness Contractors	\$ 20,238	\$ 21,562	\$ (1,324)	-6%	
Fitness Red Cross	\$ -	\$ 243	\$ (243)	-100%	
Adult Services Total Revenue	\$ 29,365	\$ 26,887	\$ 2,478	9%	\$50,442 Adult Services Total Expenses
Senior Fees	\$ 28,338	\$ 21,760	\$ 6,578	30%	\$ 60,615.12 General Seniors
Senior Grants/Contributions	\$ 1,883	\$ 2,499	\$ (616)	-25%	
Senior Contractors	\$ 4,316	\$ 3,696	\$ 620	17%	
County Reimbursement	\$ 7,091	\$ 14,264	\$ (7,173)	-50%	
Meal Site	\$ 3,165	\$ 4,745	\$ (1,580)	-33%	\$ 26,956.30 General Senior Meals
Senior Services Total Revenue	\$ 44,793	\$ 46,964	\$ (2,171)	-5%	\$87,571 Senior Services Total Expenses
TOTAL RECREATION PROGRAM REVENUE	\$ 310,537	\$ 312,097	\$ (1,560)	0%	\$ 93,687.38 REC CENTER MANAGEMENT \$ 49,261.06 REC CENTER BLDG MAINTENANCE \$ 2,419.54 MEMORY SQUARE BLDG MAINT \$ 15,328.35 ATHLETIC FIELD MAINTENANCE
TOTAL REC & SENIOR CENTER REVENUE	\$ 567,419	\$ 567,404	\$ 15	0%	\$537,319 TOTAL EXPENSES
					\$ 30,100 TOTAL NET REVENUE (EXPENSE)